NOVEMBER 19, 1984 THREE DOLLARS

Forbes

Personal Affairs
HOW TO CUT YOUR 1984 TAX BILL

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November 19, 1984
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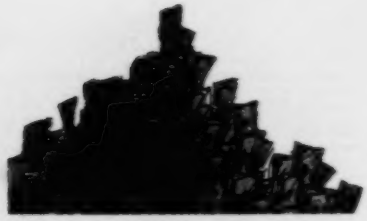

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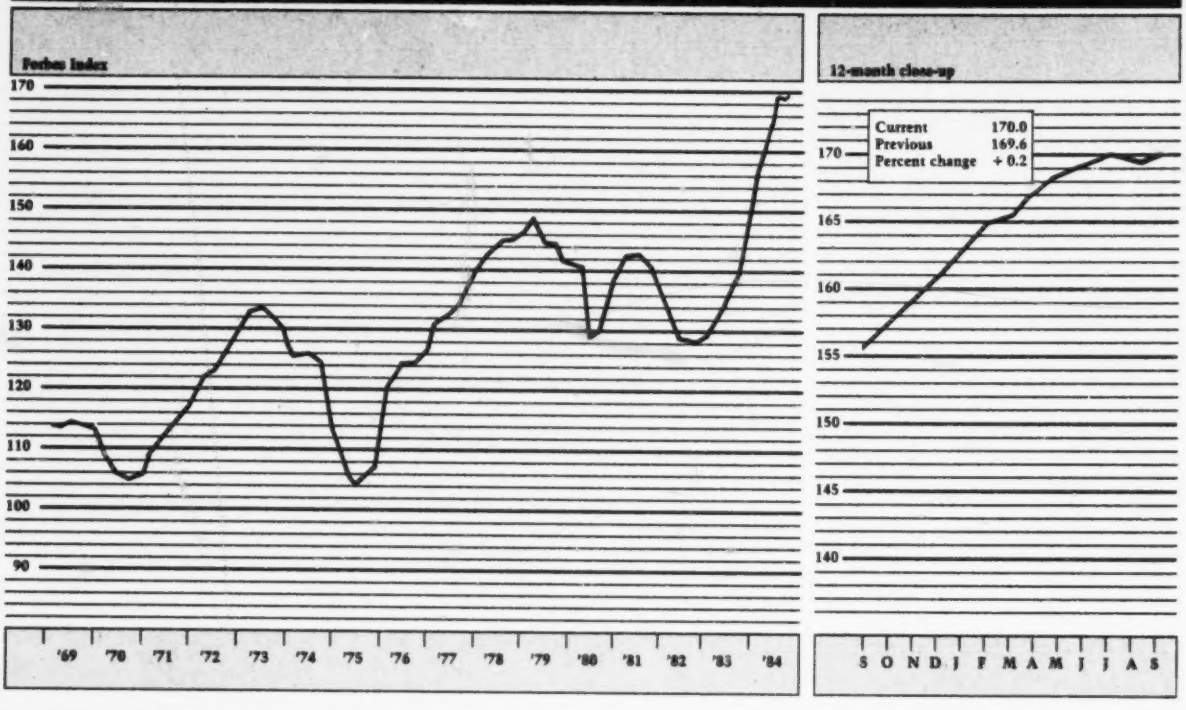
Cover illustration by: Robert Grossman

The Forbes Index



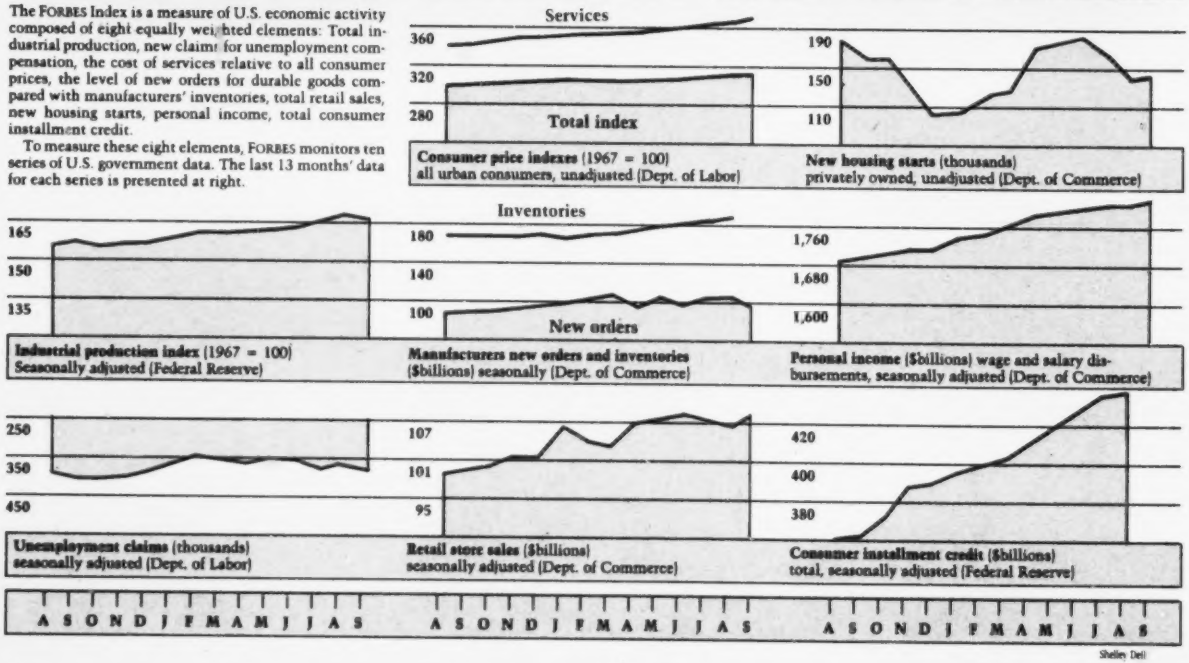
Breaking the fall? After two slight dips the Forbes Index posted a slight gain. This time increases in several components outweighed declines in others, but the economy still appears to be slowing down. Retail sales, up 1.6%, show the biggest month-to-month rise. New housing starts are 1% higher than in the previous month. But they are still some 4.6% below the year-ago level.

The overall Consumer Price Index gained 0.5%, while the services component was up 0.7%. That's a far cry from double-digit inflation and roughly in line with the 0.6% rise in personal income. Manufacturers' new orders, meanwhile, fell 4.3%.

The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 13 months' data for each series is presented at right.



Shelley Deli

Wall Street's high-paid analysts are expecting the growth in corporate profits to slow only moderately next year. But watch out. Many of these same experts had rosy forecasts at the beginning of the most recent recession.

What's around the corner in 1985?

By Steve Kichen and Leslie Pittel

IN THE MIDST of a strong economic recovery, one really can't expect a securities analyst to step away from the crowd and boldly proclaim that the sky is about to fall. Sure, there is concern over productivity, the deficit and the balance of trade. But analysts also have wives and kids to feed and payments on the BMW and summer houses in the Hamptons.

With little bad news in third-quarter corporate reports, it's no wonder that analysts' estimates for the future are optimistic: The analysts' current consensus is that earnings will be up by 26% in 1984 and 17% in 1985. Those are relaxing, comfortable numbers. After all, most experts think that slower, more steady growth is just what the economy needs.

Unfortunately, however, many estimates are likely to change—and probably for the worse. While securities analysts say that earnings will be up by 17% next year, Wall Street economists are forecasting that corporate profits will expand by only 9%. "Either the economists are too low or the analysts are too high," says Stan Levine, who coordinates the Institutional Brokers Estimate System for the New York-based brokerage firm Lynch, Jones & Ryan. "Something has to give."

That "something" will probably be the analysts. They are already scrambling to lower their estimates—something they often do this time of year. IBES, for example, monitors the projections of hundreds of analysts on some 3,000 firms. Currently, reports Levine, his computers show that three 1985 estimates are being lowered for every one that is raised.

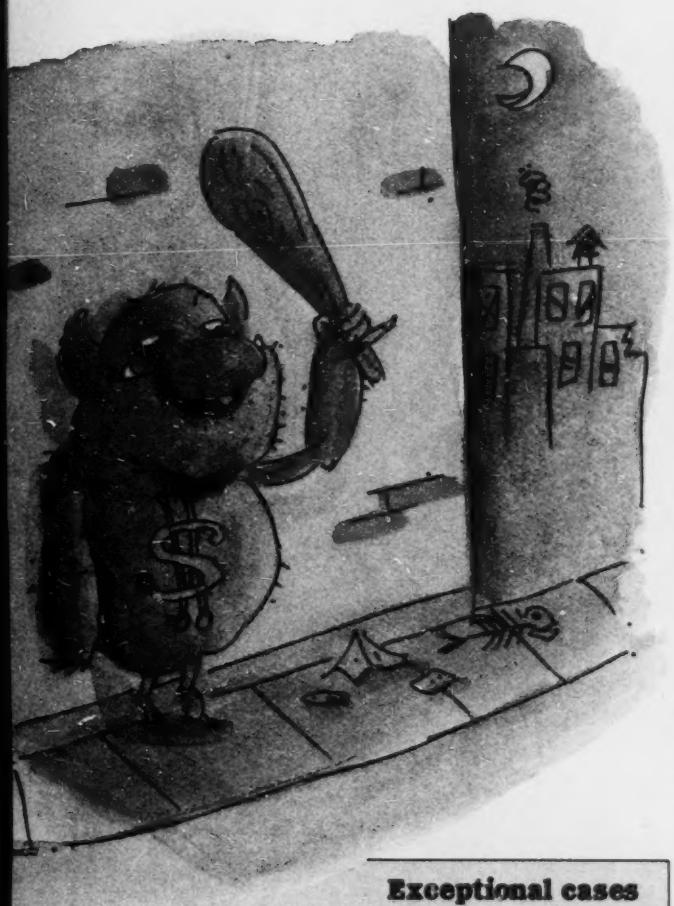
Let's hope we're not in for a repeat of what happened in the fall of 1981. Analysts then were scurrying to lower the rosy 1982 projections they had made in the spring and summer. But even after these cuts, the experts were still predicting that earnings would be up over 20% in 1982. Then, after many more downward revisions, the analysts were looking for "only" 19% growth. Unfortunately, Wall Street's seers were off by a country mile. Instead of economic expansion, there was a rather severe recession. Corporate profits fell by 18%.

Will the same thing happen next year? No one knows. On the bright side, there is the possibility that analysts burned in 1982 may be even too cautious this time around. Come January, the experts may have to adjust their forecasts upward in the face of better-than-expected fourth-quarter performances.

Illustrations by Patrick McDonnell

To find out what the best minds on Wall Street think is in store for 1,000 major corporations, we used Micro/Scan software from Boston's Isys Corp. to tap the IBES database. Our listings start on page 88. Each of the companies in our tables has estimates from five or more analysts and a market capitalization of at least $70 million. For this group, analysts are expecting an average earnings increase of 21% in 1985.

The last column in our table shows the "confidence factor," which describes the level of agreement among analysts who contributed to the earnings estimate. A "very high" confidence factor—like the one behind the



Exceptional cases

These firms may earn at least $1 in 1984 and increase earnings by more than 90% in 1985.

Company	% change 1985 vs. 1984 estimates	Company	% change 1985 vs. 1984 estimates
Kemper	145%	Seagull Energy	99%
Inland Steel	128	Stone Container	98
EF Hutton Group	125	Ashland Oil	96
AE Staley Mfg	110	Newmont Mining	93
Lorimar	102	Allegheny Intl	91

$2.54-per-share figure for Knight-Ridder—means that the estimates from the 20 analysts who track the publishing company were closely clustered. On the other hand, MCI Communications sports a very low confidence factor. Although the average 1985 estimate for MCI is 84 cents, the numbers range from 25 cents to $1.25.

Those firms whose earnings are harder to predict tend to have low or very low confidence factors. Many elements contribute to the volatility of airline earnings, for example, so it is not surprising to find analysts in widespread disagreement over the prospects of carriers like AMR, Ozark Holdings and PSA.

But large, stable consumer products and drug companies—such as Abbott Laboratories, Bristol-Myers and Dart & Kraft—tend to carry high or very high confidence factors. Risk-averse investors are often more comfortable with stocks like these. But safety has its price: There isn't much chance of spectacular earnings surprises at these companies.

If an issue sports a low or very low confidence factor, however, there is a greater chance for price volatility. After all, suppose securities analysts are confused and an investor goes with a guy who has the highest estimate. There can be big gains if he turns out to be correct. Last year, for example, Mattel had a very low confidence factor and a 1984 estimate of $1.02. Analysts now think the toy company will earn $1.55 this year, and its stock has jumped 66% during a period that the Wilshire was off by 3%.

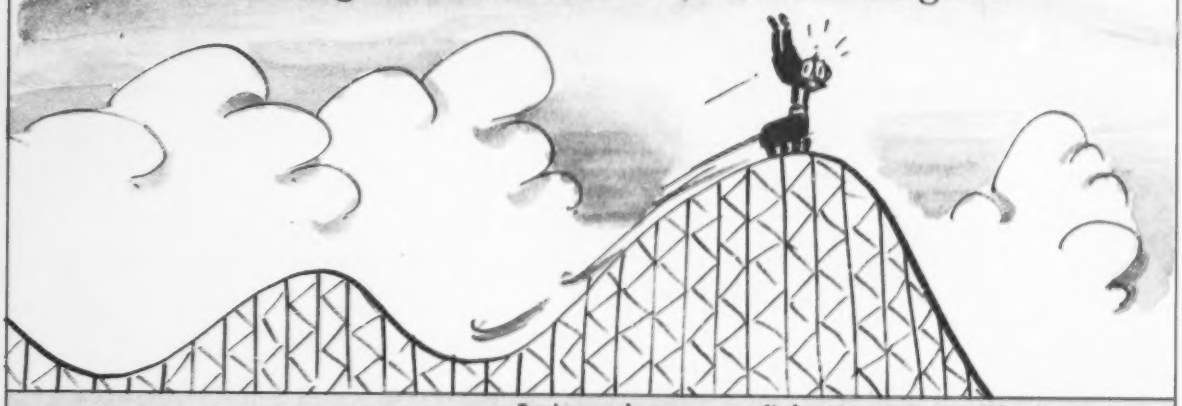
In 1984 Mattel was more the exception than the rule. The majority of companies that received very low confidence factors in our previous table still show depressed earnings and share prices. Among the losers: Cameron Iron Works, Rowan, Pan American World Airways, Reading & Bates and Western Co. of North America.

Note, too, that a forecast for a large percentage increase in earnings often needs further analysis. Look at Armco. The table shows an expected 625% jump in earnings from 1984 to 1985. But this troubled steelmaker is likely to earn only about 24 cents in 1984, vs. an estimated $1.74 in 1985. Both years are a big improvement over the $6.16 loss in 1983. But the anticipated gain for 1985 is so great only because it is compared with such a low base.

A final thought: These stocks now sell at 8.3 times 1985 earnings estimates. This is a 30% discount from the current Wilshire P/E—roughly the same as last year. The real questions, of course, are how close actual earnings will be to 1985 estimates and how much investors will pay for them next year. If only we had the answers. ■

How analysts see 1985 earnings

Wall Street's professionals think earnings growth will slow in 1985 at most of these 1,000 companies. But note the confidence factor for each estimate and the number of opinions on which it is based. The greater the consensus, the better the guess.



Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
AMF	17¼	$–0.15	$0.69	$1.38	100.0%	12.5	5	very low
AMP	31⅜	1.52	2.17	2.60	19.8	12.1	16	average
AMR	28¼	4.19	4.04	4.90	21.3	5.8	18	low
AVX	19⅛	0.98	1.94	2.51	29.4	7.6	6	average
Abbott Laboratories	39⅝	2.86	3.34	3.90	16.8	10.2	28	very high
AccuRay	18⅛	1.31	1.66	2.15	29.5	8.7	8	average
Acme-Cleveland	15	–7.39	–0.66	1.85	NM	8.1	5	very low
Adams-Russell	19¾	1.10	1.24	1.54	24.2	12.8	10	high
Adobe Oil & Gas	18½	1.45	1.61	1.87	16.1	9.9	12	average
Advanced Micro Devices	35	1.23	2.84	3.45	21.5	10.1	21	average
Aetna Life & Casualty	35	3.06	1.91	2.95	54.5	11.9	22	very low
HF Ahmanson & Co	22⅞	4.02	2.41	3.18	32.0	7.2	13	very low
Air Products & Chemicals	43⅝	3.55	4.51	5.27	16.9	8.3	23	low
Airborne Freight	18¼	1.60	1.93	2.41	24.9	7.6	15	average
Alaska Airlines	12½	1.45	1.81	2.14	18.2	5.8	10	average
Albertson's	27⅞	2.15	2.48	2.88	16.1	9.7	12	high
Alcan Aluminium Ltd	27½	0.81	3.65	4.50	23.3	6.1	18	very low
Alco Standard	28¾	2.70	3.12	3.62	16.0	7.9	10	high
Alexander & Alexander Services	21⅞	0.03	0.94	1.45	54.3	15.1	12	low
Alexander & Baldwin	30	2.88	3.55	3.96	11.5	7.6	5	very high
Allegheny International	23⅝	1.43	1.98	3.78	90.9	6.3	6	low
Allegheny Power System	28½	3.54	3.70	3.84	3.8	7.4	17	very high
Allen Group	17½	1.03	2.10	3.07	46.2	5.7	6	low
Allied Bancshares	24	2.55	2.97	3.45	16.2	7.0	8	very high
Allied Corp	36	4.28	5.32	6.07	14.1	5.9	20	average
Allied Stores	51⅜	6.16	6.77	7.39	9.2	7.0	16	high
Allis-Chalmers	8⅛	–10.43	–3.77	0.56	NM	14.5	9	very low
Alltel	23⅛	2.64	3.00	3.26	8.7	7.1	14	high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Iqs Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Alpha Industries	12½	$0.79	$0.98	$1.26	28.6%	9.9	7	high
Aluminum Co of America	34½	2.03	4.96	6.35	28.0	5.4	18	very low
Alza Corp A	21¼	0.11	0.40	0.78	95.0	27.2	6	low
Amax	18	–7.74	–0.07	1.24	NM	14.5	13	very low
Amdahl	10⅞	0.96	1.01	1.44	42.6	7.6	11	average
Amerada Hess	26⅜	2.43	3.20	4.36	36.3	6.0	22	low
American Bankers Insurance Group	11⅛	1.42	1.58	1.94	22.8	5.7	6	average
American Brands	62½	6.76	7.49	8.23	9.9	7.6	13	very high
American Broadcasting	65⅜	5.45	6.49	7.63	17.6	8.6	21	high
American Can	48⅝	3.47	4.79	5.71	19.2	8.5	7	very high
American Cyanamid	50⅜	3.41	4.79	5.57	16.3	9.0	17	high
American Electric Power	19⅜	2.44	2.63	2.65	0.8	7.4	16	low
American Express	35⅝	2.53	2.70	3.53	30.7	10.1	18	low
American Family	22¾	1.70	2.33	2.92	25.3	7.8	11	average
American General	24½	2.67	2.77	3.28	18.4	7.5	16	average
American Greetings A	31¼	1.91	2.34	2.74	17.1	11.4	11	very high
American Home Products	47½	4.00	4.48	5.03	12.3	9.4	28	very high
American Hospital Supply	28⅞	2.86	3.28	3.76	14.6	7.7	31	very high
American Income Life Insurance	9½	1.53	1.43	1.61	12.6	5.9	5	average
American International Group	68	5.77	5.73	6.78	18.3	10.0	21	average
American Medical International	23⅜	2.04	1.64a	2.58	57.3	9.1	32	average
American Natural Resources	37¼	4.69	5.48	5.79	5.7	6.4	16	average
American President Cos	32⅛	2.26	7.06	8.14	15.3	4.0	5	average
American Standard	30¼	2.27	3.28	4.16	26.8	7.3	12	low
American Sterilizer	21⅛	1.76	1.84	2.08	13.0	10.3	7	high
American Stores	39⅜	3.61	4.15	4.84	16.6	8.1	8	average
American Tel & Tel	18⅛	1.29	1.60	2.13	33.1	8.5	33	low
Ameritech	74⅜	9.76	10.13	10.75	6.1	6.9	26	high
AmeriTrust	52½	5.49	6.89	7.44	8.0	7.1	11	high
Amfac	22¾	–4.99	1.70	2.86	68.2	8.0	9	average

The 1,000 stocks in this table sell at a multiple of 8.3, based on 1985 estimates. That's about 30% less than the current P/E of the Wilshire index.

AmSouth Bancorp	23¾	2.01	3.39	3.76	10.9	6.3	7	very high
Amsted Industries	32⅛	–0.35	2.23	3.77	69.1	8.7	7	average
Analog Devices	24⅛	0.73	1.35	1.76	29.6	13.8	12	average
Analogic	10	0.85	0.90a	1.09	21.1	9.2	8	average
Anchor Hocking	23⅛	2.28	2.16	2.99	38.4	7.9	10	low
Andrew	32½	1.77	2.08	2.56	23.1	12.7	9	high
Angelica	20⅛	1.63	1.85	2.13	15.1	9.4	6	high
Anheuser-Busch	68½	6.50	7.43	8.41	13.2	8.1	15	very high
Apache	11½	1.00	1.11	1.37	23.4	8.4	9	low
Apollo Computer	23¼	0.37	0.75	1.32	76.0	17.6	17	average
Apple Computer	23⅞	1.28	0.98	2.21	125.5	10.8	23	low

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Applied Data Research B	24⅞	$1.38	$1.77	$2.23	26.0%	11.2	11	very high
Applied Materials	27½	0.49	2.00	2.92	46.0	9.4	15	average
Arizona Public Service	20⅞	3.46	3.38	3.49	3.3	6.0	16	very high
Arkla	20⅛	1.18	1.63	2.03	24.5	10.2	17	average
Armco	10	–6.16	0.24	1.74	625.0	5.7	11	very low
Armstrong World Industries	28¼	2.53	3.54	3.95	11.6	7.3	12	low
Arrow Electronics	17	0.85	2.71	3.60	32.8	4.7	5	low
Asarco	22	1.54	–1.53	1.68	NM	13.1	17	very low
Ashland Oil	27⅜	2.22	1.84	3.61	96.1	7.7	13	low
Associated Dry Goods	57	5.95	6.75	7.60	12.6	7.5	18	high
Atlantic City Electric	23⅛	3.48	3.16	3.33	5.4	7.0	10	high
Atlantic Research	30¼	1.81	2.34	2.91	24.4	10.6	9	average
Atlantic Richfield	49¼	6.03	5.44	7.09	30.3	6.9	34	average
Augat	22⅞	1.47	1.85	2.45	32.4	9.3	13	average
Automatic Data Processing	36⅛	1.86	2.14a	2.51	17.3	14.6	5	very high
Automatix	9¼	–0.20	–0.82	–0.18	NM	NM	6	very low
Avantek	21	0.63	0.92	1.22	32.6	17.2	16	average
Avery International	30⅛	1.84	2.39	2.81	17.6	10.9	9	high
Avon Products	23⅛	2.21	2.26	2.56	13.3	9.0	21	average
Aydin	21⅛	2.93	2.39	2.99	25.1	7.1	8	average
Bairnco	29⅛	2.16	2.62	3.02	15.3	9.7	5	very high
Baker International	16⅞	–0.91	0.99	1.81	82.8	9.3	26	low
Baldor Electric	20	1.20	1.69	2.23	32.0	9.0	8	average
Ball	38½	3.47	3.98	4.50	13.1	8.6	6	high
Bally Manufacturing	15⅞	0.20	1.05	1.84	75.2	8.6	9	low
Bally Park Place	8⅝	0.86	1.07	1.28	19.6	6.7	5	low
Baltimore Gas & Electric	37⅛	4.95	5.28	5.33	0.9	7.1	20	high
Banc One	23⅝	2.55	2.92	3.27	12.0	7.2	9	very high
BancOklahoma	20⅛	3.33	3.70	4.16	12.4	4.9	6	very high
Bandag	49	3.88	4.57	5.47	19.7	9.0	5	very high
Bank of Boston	36	7.40	6.67	7.47	12.0	4.8	13	average
Bank of New York	31⅞	4.64	5.21	5.65	8.4	5.6	7	average
BankAmerica	18⅝	2.18	2.48	3.13	26.2	6.0	24	average
Bankers Trust NY	52⅛	8.40	9.02	9.89	9.6	5.3	20	high
CR Bard	22¾	2.21	2.47	2.82	14.2	8.1	20	very high
Barnett Banks of Florida	43⅜	4.60	4.93	5.47	11.0	7.9	14	high
Barry Wright	29	1.57	1.94	2.43	25.3	11.9	7	average
Bassett Furniture Industries	32¼	3.78	3.84	4.10	6.8	7.9	5	low
Bausch & Lomb	24¼	1.71	2.04	2.43	19.1	10.0	16	high
Baxter Travenol Laboratories	13½	1.54	1.44	1.64	13.9	8.2	25	average
BayBanks	39	5.03	5.53	6.07	9.8	6.4	5	high
BBDO International	40½	3.08	3.79	4.41	16.4	9.2	5	very high
Beatrice	28¼	3.30	3.18	3.53	11.0	8.0	10	average
Becton Dickinson	36¼	1.71	2.95	3.56	20.7	10.2	20	average
Bell & Howell	28⅝	2.96	2.55	3.07	20.4	9.3	7	average
Bell Atlantic	77⅜	10.17	9.97	10.60	6.3	7.3	27	high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
BellSouth	33	$4.32	$4.06	$4.36	7.4%	7.6	31	high
AH Belo	43	3.25	2.81	3.44	22.4	12.5	9	high
Beneficial	30⅛	3.96	4.06	4.58	12.8	6.6	6	average
Bergen Brunswig	22⅛	1.50	1.45a	2.21	52.4	10.0	9	high
Bemis Products	12⅞	1.40	1.72	2.11	22.7	6.1	10	low
Bethlehem Steel	17¾	–7.31	–0.19	3.19	NM	5.6	13	very low
Betz Laboratories	31	2.08	2.41	2.76	14.5	11.2	15	very high
Beverly Enterprises	30½	1.45	1.79	2.20	22.9	13.9	12	very high
Big Three Industries	21⅜	1.07	1.53	2.29	49.7	9.3	13	low
Black & Decker Manufacturing	20⅛	0.65	1.96	2.51	28.1	8.0	13	high
Boeing	55⅞	3.67	3.80	5.57	46.6	10.0	25	low
Boise Cascade	38½	1.91	4.62	5.91	27.9	6.5	14	low
Borden	60¼	5.96	7.43	8.28	11.4	7.3	8	high
Borg-Warner	21½	2.03	2.50	3.06	22.4	7.0	9	average
Boston Edison	32½	3.60	3.89	4.11	5.7	7.9	11	high
Bristol-Myers	45¼	3.00	3.48	4.02	15.5	11.3	28	very high
British Petroleum	22¾	2.76	3.74	4.18	11.8	5.4	12	low
Brockway	16⅞	0.77	1.53	2.01	31.4	8.4	6	low
Brooklyn Union Gas	32⅞	4.52	4.72	5.01	6.1	6.6	10	high
Brooks Fashion Stores	31⅝	2.03	2.96	3.82	29.1	8.3	5	high
Brown Group	25½	3.19	3.25	3.58	10.2	7.1	7	average
Browning-Ferris Industries	36½	2.40	2.65	3.28	23.8	11.1	12	average
Brunswick	32⅜	2.92	4.21	5.02	19.2	6.5	8	average
Brush Wellman	31⅞	1.39	2.17	2.49	14.7	12.8	7	average
Burlington Industries	25	3.10	3.61	3.86	6.9	6.5	10	low
Burlington Northern	48⅛	5.40	6.99	7.30	4.4	6.6	19	average
Burndy	14	1.01	1.16	1.55	33.6	9.0	10	low
Burr-Brown	17	0.90	1.27	1.73	36.2	9.8	6	high
Burroughs	53	4.60	5.65	6.67	18.1	7.9	21	average
CBI Industries	26¼	2.36	2.37	2.81	18.6	9.3	10	low

Wall Streeters don't see 1985 as another record year at Chrysler. They think profits will drop 23%, to less than $12 per share.

CBS Inc	80	6.31	8.58	9.73	13.4	8.2	21	high
CSX Corp	22½	2.07	3.31	3.79	14.5	5.9	21	average
Cabot	26½	2.00	2.74	3.21	17.2	8.3	9	low
California Federal	13½	3.94	2.82	3.12	10.6	4.3	9	very low
Callahan Mining	15½	0.59	0.48	0.86	79.2	18.0	5	very low
Capital Cities Communications	154¼	8.53	10.54	12.10	14.8	12.7	16	high
Capital Holdings	38⅞	4.38	4.64	5.07	9.3	7.7	19	high
Carlisle	33	2.45	3.48	3.98	14.4	8.3	9	average
Carolina Freight	19⅝	2.12	2.32	2.80	20.7	7.0	11	high
Carolina Power & Light	23⅞	3.21	3.29	3.44	4.6	6.9	14	very high
Carter Hawley Hale	23	1.90	1.86	2.70	45.2	8.5	12	low
Castle & Cooke	15	–1.95	–3.13a	0.95	NM	15.8	9	very low

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Caterpillar Tractor	30⅛	$–3.74	$– 0.82	$ 2.21	NM	13.6	20	very low
Celanese	71½	6.89	11.07	12.00	8.4%	6.0	20	low
Centel	36⅞	4.12	4.44	4.86	9.5	7.6	18	high
Centocor	11¼	–0.12	0.08	0.27	237.5	41.7	9	very low
Central & South West	20¾	3.02	3.31	3.40	2.7	6.1	21	very high
Central Illinois Light	22⅛	2.87	2.90	3.01	3.8	7.4	8	high
Central Illinois Public Service	17	2.33	2.19	2.25	2.7	7.6	10	low
Central Louisiana Electric	20¾	2.85	3.41	3.36	–1.5	6.2	5	high
Central Soya	14⅝	1.68	1.51a	1.77	17.2	8.3	6	low
CertainTeed	17⅞	1.73	2.94	3.02	2.7	5.9	8	very low
Cessna Aircraft	19¾	–0.98	–0.58	1.36	NM	14.5	10	low
Champion International	19⅝	1.22	2.62	3.55	35.5	5.5	14	low
Champion Spark Plug	9⅛	0.70	0.98	1.18	20.4	7.7	5	average
Charming Shoppes	16¾	0.83	1.04	1.27	22.1	13.2	5	very high
Charter Medical	28½	1.33	1.73	2.14	23.7	13.3	14	high
Chase Manhattan	43¾	10.96	10.68	11.86	11.0	3.7	19	high
Chemed	27	2.28	2.56	2.97	16.0	9.1	7	high
Chemical NY	30	5.77	6.19	6.79	9.7	4.4	15	average
ChemLawn	24¼	1.26	1.55	1.90	22.6	12.8	9	very high
Chesapeake Corp	34	1.33	3.39	4.46	31.6	7.6	7	average
Chesebrough-Pond's	36½	3.58	3.70	4.14	11.9	8.8	19	high
Chevron	34⅞	4.65	4.91	5.54	12.8	6.3	32	average
Chi-Chi's	14½	0.66	0.91	1.29	41.8	11.2	8	average
Chicago & NW Transportation	28	2.28	2.61	3.67	40.6	7.6	11	very low
Chrysler	31⅛	2.35	15.47	11.98	–22.6	2.6	16	very low
Chubb	50	4.56	3.59	4.66	29.8	10.7	21	very low
Church's Fried Chicken	28⅜	1.66	2.34	2.82	20.5	10.1	9	high
Cigna	38½	5.26	–0.37	1.31	NM	29.4	20	very low
Cincinnati Bell	37¾	5.31	5.65	6.08	7.6	6.2	7	average
Cincinnati Financial	70½	6.36	6.75	7.36	9.0	9.6	5	low
Cincinnati Gas & Electric	14⅞	2.94	2.52	2.53	0.4	5.9	12	low
Cincinnati Milacron	23½	–0.46	0.65	1.67	156.9	14.1	19	very low
Circuit City Stores	26	1.22	1.91	2.53	32.5	10.3	6	average
Circus Circus Enterprises	15⅞	1.37	1.56	1.81	16.0	8.8	6	high
Citicorp	36¾	6.17	6.69	7.47	11.7	4.9	24	average
Citizens & Southern Georgia	17⅛	1.89	2.19	2.46	12.3	7.0	9	high
Citizens Fidelity	23⅞	2.38	2.79	3.15	12.9	7.6	5	average
JL Clark Manufacturing	24	1.77	2.15	2.46	14.4	9.8	5	high
Clark Equipment	27⅜	0.86	2.40	4.04	68.3	6.8	11	very low
Cleveland Electric Illuminating	19	3.28	3.36	3.37	0.3	5.6	14	high
Cleveland-Cliffs	19½	0.22	2.07	2.92	41.1	6.7	7	very low
Cluett, Peabody	30	2.87	3.42	4.10	19.9	7.3	6	average
Coastal	29¼	4.02	4.58	5.06	10.5	5.8	9	low
Coca-Cola	63¼	4.10	4.75	5.43	14.3	11.6	19	very high
Coherent	21¾	0.58	0.78	1.21	55.1	18.0	6	average
Coleco Industries	15¼	–0.48	1.38	1.97	42.8	7.7	5	low

a: Actual. NM: Not meaningful.

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How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Coleman	28⅜	$2.61	$3.32	$3.77	13.6%	7.5	7	average
Colgate-Palmolive	25⅜	2.42	2.22	2.38	7.2	10.7	12	low
Collins & Aikman	32½	4.47	5.93	6.19	4.4	5.3	13	average
Colonial Penn Group	27⅜	2.89	2.97	3.09	4.0	8.9	7	high
Colt Industries	52	3.99	5.88	6.92	17.7	7.5	5	high
Columbia Gas	31	5.13	4.69	4.98	6.2	6.2	14	average
Combined International	35⅛	3.86	4.21	4.65	10.5	7.7	18	high
Combustion Engineering	30⅞	2.29	2.10	3.07	46.2	10.1	13	low
Comcast	17⅛	0.77	0.87	1.10	26.4	16.3	9	low
Comdata Network	13¼	0.55	0.74	0.99	33.8	13.4	7	average
Commonwealth Edison	26¼	4.39	4.38	4.42	0.9	6.1	16	high
Communications Satellite	24¼	2.77	2.97	3.52	18.5	7.0	14	low
Communications Industries	22½	1.18	1.35	1.67	23.7	13.5	14	average
Community Psychiatric Centers	27⅛	0.95	1.20	1.48	23.3	18.3	21	very high
Computer & Comm Technology	10¾	–3.21	1.45	1.91	31.7	5.6	6	average
Computer Assoc International	17½	0.90	1.17	1.63	39.3	10.7	6	high
Computer Consoles	10⅛	0.87	1.13	1.48	31.0	6.9	7	high
Computervision	41⅞	1.24	1.70	2.34	37.6	17.9	26	average
ConAgra	39¾	2.46	3.87	4.44	14.7	9.0	6	high
Conair	18⅛	1.30	1.89	2.37	25.4	7.7	5	very high
Conquest Exploration	7¾	0.17	0.25	0.38	52.0	20.4	10	very low
Consolidated Edison	29	4.16	4.17	4.20	0.7	6.9	17	average
Consolidated Freightways	23¼	2.43	2.66	3.01	13.2	7.9	18	high
Consolidated Natural Gas	38⅝	4.74	4.88	5.28	8.2	7.3	17	high
Consolidated Papers	67	4.50	6.85	7.83	14.3	8.6	10	low
Continental Corp	33	0.19	1.64	2.65	61.6	12.5	18	very low
Continental Telecom	22	2.41	2.72	3.00	10.3	7.3	22	high
Control Data	30¾	4.20	2.80	3.98	42.1	7.7	17	low
Convergent Technologies	9⅞	0.40	0.59	1.24	110.2	8.0	17	low
Converse	19¼	2.07	2.60	3.15	21.2	6.3	6	average
Cooper Industries	28¼	1.29	2.19	3.16	44.3	8.9	17	low
Cooper Tire & Rubber	15¾	2.15	2.34	2.77	18.4	5.7	5	high
CooperVision	19¼	1.00	1.28	1.56	21.9	12.3	5	average
Adolph Coors	14⅛	2.55	1.66	1.81	9.0	8.1	13	very low
Cordura	19⅛	1.41	1.51	1.81	19.9	10.6	5	average
CoreStates Financial	39⅝	5.70	6.14	6.71	9.3	5.9	7	very high
Corning Glass Works	61⅛	4.38	6.10	7.21	18.2	8.5	9	low
Corroon & Black	28	2.22	1.59	2.24	40.9	12.5	7	low
Cox Communications	48¼	2.65	3.08	3.64	18.2	13.3	18	very high
CPC International	37⅛	2.81	4.36	4.97	14.0	7.6	14	high
Cray Research	50⅞	1.77	2.42	3.06	26.4	16.6	13	high
Crocker National	23¼	–0.63	–2.33	2.52	NM	9.4	8	low
Cross & Trecker	20¼	0.30	0.31	1.54	396.8	13.5	18	very low
AT Cross	27	1.90	2.17	2.66	22.6	10.2	6	average
Crown Cork & Seal	43¼	3.83	4.88	5.43	11.3	8.0	5	average
Crown Zellerbach	29⅛	2.54	3.90	5.10	30.8	5.8	11	low

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Ips Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Cubic	17¾	$2.19	$1.98	$2.52	27.3%	7.0	5	low
Cullinet Software	43½	1.09	1.52	2.06	35.5	21.1	12	high
Cummins Engine	70½	0.36	15.60	16.64	6.7	4.2	11	low
Daisy Systems	26⅛	0.17	0.73	1.20	64.4	21.8	14	average
Dana	23½	1.97	3.40	4.02	18.2	5.8	9	average
Dart & Kraft	80⅝	7.92	8.95	10.18	13.7	7.9	16	very high
Data General	53½	0.96	2.44	4.00	63.9	13.4	26	average
Data I/O	12½	0.72	0.93	1.21	30.1	10.3	7	average
Dataproducts	15⅝	1.25	2.04	2.54	24.5	6.2	7	low
Dayton Power & Light	16⅛	2.80	2.20	2.18	–0.9	7.4	9	high

Expect fat gains from Bethlehem Steel next year. Analysts think earnings will exceed $3, compared with a 20-cent loss in 1984.

Dayton-Hudson	33⅜	2.54	2.97	3.45	16.2	9.7	22	very high
DeLuxe Check Printers	51⅛	3.37	3.88	4.46	14.9	11.5	11	very high
Dean Foods	26⅜	1.61	1.90	2.18	14.7	12.1	7	very high
Decision Data Computer	11⅛	0.68	0.99	1.30	31.3	8.9	5	average
Deere & Co	28	0.34	1.48	2.48	67.6	11.3	21	very low
Dekalb AgResearch	23¾	1.07	2.24	2.74	22.5	8.7	10	low
Delmarva Power & Light	20⅛	2.45	2.53	2.62	3.6	8.0	15	very high
Denison Mines A	33⅞	3.10	3.46	3.91	13.0	8.7	6	average
DeSoto	31⅛	3.17	3.59	4.32	20.3	7.4	5	average
Detroit Edison	14⅜	2.21	2.17	2.25	3.7	6.6	13	average
Dexter	21⅛	1.77	1.99	2.31	16.1	9.3	8	high
Diamond Shamrock	19⅜	–0.70	1.92	2.36	22.9	8.4	18	average
Diebold	77¾	5.65	6.82	7.84	15.0	9.9	9	high
Digital Equipment	95⅛	5.00	5.73a	9.08	58.5	10.5	31	low
Digital Switch	25¼	1.02	1.42	1.97	38.7	13.1	19	average
Walt Disney Productions	58¾	2.70	3.17	3.88	22.4	15.1	17	high
Divensifoods	14½	0.61	1.07	1.35	26.2	10.7	12	average
Dollar General	19⅛	0.97	1.20	1.48	23.3	13.3	10	average
Dominion Resources	26⅞	3.28	3.42	3.51	2.6	7.7	17	high
Donaldson Co	19	–0.67	1.86a	2.67	43.6	7.1	5	low
Donaldson, Lufkin & Jenrette	22⅜	1.51	1.74	1.90	9.2	11.8	6	low
RR Donnelley & Sons	44⅛	3.00	3.54	4.07	15.0	11.0	9	very high
Dorsey	30½	3.02	2.81	3.41	21.4	8.9	8	very low
Dover	37⅛	2.18	2.77	3.51	26.7	10.6	6	average
Dow Chemical	28¼	1.50	3.19	4.07	27.6	6.9	28	low
Dow Jones & Co	39⅛	1.79	2.23	2.65	18.8	14.8	14	very high
Doyle Dane Bernbach International	17⅛	1.05	1.44	1.69	17.4	10.2	6	average
Dresser Industries	20⅛	0.06	1.18	2.20	86.4	9.1	24	low
Dreyer's Grand Ice Cream	12	0.70	0.95	1.15	21.1	10.4	5	average
Duccommun	33⅛	–0.59	4.65	5.74	23.4	5.8	5	high
Duke Power	28⅛	3.77	3.96	4.02	4.1	7.0	19	very high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Iya Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate numbes of analysts	1985 estimate confidence factor
Dun & Bradstreet	62¼	$2.97	$3.44	$4.04	17.4%	15.4	12	very high
El Du Pont de Nemours	48⅞	4.70	6.36	7.18	12.9	6.8	26	high
Duquesne Light	14⅞	2.20	2.30	2.39	3.9	6.2	8	high
Duriron	11¼	0.44	0.74	1.34	81.1	8.4	7	average
Dyco Petroleum	11⅞	1.24	1.41	1.64	16.3	7.2	5	average
Dynatech	5⅛	0.45	–0.91	0.03	NM	NM	9	very low
EG&G	31¼	1.56	1.90	2.31	21.6	13.5	9	very high
E-Systems	26⅝	1.82	1.99	2.28	14.6	11.7	21	average
Easco	13	1.50	0.67	2.04	204.5	6.4	6	low
Eastern Gas & Fuel	24½	1.64	2.38	2.94	23.5	8.2	10	low
Eastman Kodak	71	3.41	5.95	7.22	21.3	9.8	20	average
Eaton	49¼	2.89	6.95	8.13	17.0	6.1	15	average
Echlin	22⅝	1.50	2.14a	2.55	19.2	8.9	11	high
Jack Eckerd	27½	1.91	2.27a	2.66	17.2	10.3	13	high
Edison Brothers Stores	34	4.51	4.55	5.00	9.9	6.8	6	average
El Paso Electric	12⅝	2.48	2.68	2.72	1.5	4.7	6	average
Electrospace Systems	20⅝	0.76	0.96	1.22	27.1	16.9	5	high
Emerson Electric	68	4.42	5.18	6.13	18.3	11.1	17	very high
Emery Air Freight	19⅝	1.45	1.76	2.07	17.6	9.4	17	low
Emhart	31½	3.37	3.84	4.39	14.3	7.2	7	very high
Engelhard	29	2.73	2.24	3.46	54.5	8.4	8	average
Ensearch	19⅝	1.20	1.95	2.39	22.6	8.3	18	low
Equatorial Communications	16¼	0.15	0.60	1.03	71.7	15.8	6	high
Equitable Resources	33⅝	4.34	5.73	6.22	8.6	5.4	9	average
Esterline	26½	0.91	2.15	2.99	39.1	8.9	5	average
Ethyl	25⅞	2.51	3.01	3.43	14.0	7.5	15	average
Evans & Sutherland Computers	16⅝	1.21	1.18	1.56	32.2	10.7	12	low
Ex-Cell-O	36¼	3.51	3.94	4.76	20.8	7.6	9	high
Exxon	44⅝	5.79	6.42	6.85	6.7	6.5	34	high
FMC	58⅜	4.66	6.28	7.74	23.2	7.6	11	low
Fairchild Industries	18	1.51	1.66	2.19	31.9	8.2	14	low
Family Dollar Stores	26⅞	0.83	1.22	1.54	26.2	17.5	9	high
Farah Manufacturing	26¼	2.24	2.86	3.63	26.9	7.4	6	very low
Farmers Group	46½	4.06	4.67	5.19	11.1	9.0	16	very high
Federal Express	40	2.50	2.40	3.90	62.5	10.3	10	average
Federal National Mortgage	14⅞	1.13	–0.41	– 0.17	NM	NM	13	very low
Federal Paper Board	21⅜	0.93	2.41	3.73	54.8	5.8	6	very low
Federal-Mogul	35½	2.94	3.97	4.85	22.2	7.3	9	average
Federated Department Stores	51	6.96	6.80	7.54	10.9	6.8	20	high
Fedmortad Group	19⅛	1.16	1.58	2.02	27.8	9.5	5	average
Ferro	25	3.04	3.63	3.86	6.3	6.5	7	low
Fidelcor	42⅞	8.66	6.90	7.63	10.6	5.6	5	high
Fieldcrest Mills	25⅜	3.89	2.83	3.59	26.9	7.2	6	very low
Firestone Tire & Rubber	18½	2.03	1.78	2.51	41.0	7.4	6	low
First Atlanta	22⅛	2.97	3.20	3.62	13.1	6.1	8	very high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
First Bank System	27⅜	$3.90	$4.02	$4.60	14.4%	6.0	16	high
First Chicago	22½	3.92	3.57	4.57	28.0	4.9	19	average
First City Bancorpation of Texas	16½	1.23	2.57	3.06	19.1	5.4	16	low
First Commerce	26	1.57	3.26	3.84	17.8	6.8	5	average
First Executive	11⅜	1.00	1.21	1.51	24.8	7.7	5	low
First Interstate Bancorp	38¾	5.76	6.11	6.84	11.9	5.7	22	very high
First Union	31⅜	3.59	4.26	4.81	12.9	6.6	12	high
Fischbach	40¼	7.39	3.36	4.28	27.4	9.4	7	very low
Fleet Financial Group	53⅛	6.90	7.31	8.04	10.0	6.7	7	high
Fleetwood Enterprises	22¾	2.71	2.72	3.13	15.1	7.3	8	low
Fleming	31	2.36	2.66	3.05	14.7	10.2	5	very high
Floating Point Systems	15¾	1.47	1.74	1.70	–2.3	9.3	13	very low
Florida Power & Light	42¾	5.02	5.24	5.62	7.3	7.6	19	very high
Florida Progress	23¼	2.64	2.72	2.80	2.9	8.3	15	high
John Fluke Mfg	26¼	1.22	1.81	2.25	24.3	11.7	16	average
Fluor	17⅜	0.68	0.43	0.92	114.0	19.2	15	very low
Food Lion	12	0.53	0.66	0.84	27.3	14.3	5	average
Ford Motor	46⅜	10.29	15.89	15.82	–0.4	3.0	16	low
Forest Oil	22¼	1.08	1.69	1.94	14.8	11.7	7	very low
Fort Howard Paper	60⅛	3.78	4.42	5.07	14.7	11.9	18	high
Foster Wheeler	13⅛	1.30	1.04	1.20	15.4	10.9	8	low
Foxboro	29¾	0.65	0.99	2.59	161.6	11.5	14	low
Freeport-McMoran	16	1.32	1.45	2.06	42.1	7.8	16	low
Fremont General	18⅛	0.11	–1.10	0.59	NM	30.7	8	very low
Frontier Holdings	11⅜	–1.29	–0.72	0.40	NM	28.4	11	very low
Fruehauf	21½	0.28	4.28	5.59	30.6	3.8	5	low
Fuji Photo Film	13⅜	1.36	1.35	1.55	14.8	8.6	7	average
HB Fuller	12¼	1.49	1.61	1.88	16.8	6.5	8	average
Fuqua Industries	28	4.16	3.98	4.56	14.6	6.1	5	average
GATX	30⅛	–7.84	2.67	3.47	30.0	8.7	5	low
GCA	27¾	0.10	1.79	2.86	59.8	9.7	20	low
GEICO	63½	4.48	5.34	6.11	14.4	10.4	15	average
GTE	40¾	5.00	5.49	5.98	8.9	6.8	26	high
Gannett	44⅜	2.40	2.79	3.40	21.9	13.1	16	very high
Gap Stores	22⅝	2.52	2.53	3.06	20.9	7.4	9	high
Gearhart Industries	14⅞	0.40	0.53	1.25	135.9	11.9	10	very low
GenCorp	33¼	2.85	3.86	4.77	23.6	7.0	6	high
Genentech	29¾	0.08	0.20	0.46	130.0	64.7	17	very low
General DataComm Industries	18¾	0.25	0.79	1.18	49.4	15.9	8	high
General Dynamics	63¾	5.30	7.54	9.27	22.9	6.9	23	average
General Electric	56	4.45	5.05	5.75	13.9	9.7	20	very high
General Foods	58⅛	6.10	6.68	7.52	12.6	7.7	15	very high
General Instrument	21⅜	1.16	1.63	2.30	41.1	9.3	9	low
General Mills	55½	4.98	5.61	6.36	13.4	8.7	9	very high
General Motors	78¾	11.84	16.91	17.72	4.8	4.4	16	low
General Public Utilities	10⅞	1.10	1.54	1.86	20.8	5.8	8	low

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Ivy Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	P/E	1985 estimates number of analysts	1985 estimates confidence factor
General Re	64	$4.26	$3.59	$4.91	36.8%	13.0	19	low
General Signal	45½	3.16	4.10	5.21	27.1	8.7	15	high
Genetic Systems	6½	–0.08	–0.07	0.04	NM	NM	9	very low
GenRad	15¼	1.25	1.62	2.31	42.6	6.6	19	low
Genuine Parts	32	1.91	2.27	2.62	15.4	12.2	16	very high
Georgia-Pacific	22	0.97	2.81	3.27	16.4	6.7	17	low
Gerber Products	26⅞	2.48	2.76	3.10	12.3	8.7	8	average
Giant Food	25⅜	2.77	3.09	3.38	9.4	7.5	6	high
Gibraltar Financial	8½	2.02	1.80	1.79	–0.6	4.7	10	very low
Gifford-Hill	20	0.40	2.21	3.32	50.2	6.0	6	low
Gillette	51½	4.78	5.27	5.92	12.3	8.7	16	very high
Glaxo Holdings	11¼	0.46	0.61	0.83	36.1	13.6	5	average
Global Marine	6⅛	1.52	–1.47	–1.36	NM	NM	14	very low
Golden Nugget	8⅝	1.09	1.03	1.29	25.2	6.7	6	low
Golden West Financial	17¼	3.75	3.70	3.53	–4.6	4.9	12	very low
BF Goodrich	26	0.68	3.87	4.94	27.6	5.3	11	low
Goodyear Tire & Rubber	25⅛	2.71	4.17	4.53	8.6	5.6	9	average
Gordon Jewelry	16⅞	1.76	2.09	2.38	13.9	7.1	10	low
Gould	22¾	1.42	2.23	2.69	20.6	8.5	16	low
Goulds Pumps	15¾	0.83	1.24	1.59	28.2	9.9	8	average
WR Grace	42½	3.24	4.16	5.03	20.9	8.4	13	average
WW Grainger	55⅛	3.58	4.72	5.47	15.9	10.2	18	average
Great Lakes Chemical	33¾	1.63	2.39	2.92	22.2	11.6	13	high
Great Northern Nekoosa	34¼	3.25	4.77	5.63	18.0	6.1	13	low
Great Western Financial	22½	2.08	2.96	3.42	15.5	6.6	12	very low
Greatwest Hospitals	14¾	0.75	0.63	1.10	74.6	13.4	6	very low
Greyhound	23¼	1.82	2.64	3.29	24.6	7.1	14	average
Grumman	27⅜	3.81	3.88	4.91	26.5	5.6	17	average
Gulf & Western Industries	29⅛	3.38	3.57a	3.62	1.4	8.2	14	average
Gulf State Utilities	12¼	2.31	2.26	2.34	3.5	5.2	13	average

Oilfield services and insurance are two industry groups where earnings estimates vary widely. If the optimists are right, there could be big profits here.

HBO & Co	20¼	0.61	0.84	1.06	26.2	19.6	22	average
Frank B Hall	23¾	0.95	1.08	1.58	46.3	15.0	10	very low
Halliburton	30⅞	2.66	3.28	4.24	29.3	7.3	27	average
Hammermill Paper	49¼	3.25	6.17	7.79	26.3	6.3	8	average
Hanna Mining	18½	–2.84	1.45	1.99	37.2	9.3	7	very low
Hanover Insurance	28¼	3.82	2.60	3.81	46.5	7.4	5	very low
John H Harland	45⅜	2.46	2.95	3.51	19.0	13.0	10	very high
Harnischfeger	9⅝	–3.49	0.43	1.78	314.0	5.4	6	very low
Harper Group	29	1.65	2.38	2.89	21.4	10.0	5	average
Hartmarx	27¼	3.05	3.49	3.99	14.3	6.8	11	average
Hawaiian Electric Industries	18⅞	2.06	2.22	2.30	3.6	8.2	10	average

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Ips Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
HealthAmerica	21½	$0.26	$0.62	$0.91	46.8%	23.6	14	average
Hechinger	18¾	0.90	1.13	1.40	23.9	13.4	10	average
Heck's	11½	1.03	1.12	1.64	46.4	7.0	6	low
Hecla Mining	16½	1.05	0.98	1.26	28.6	13.1	13	very low
G Heileman Brewing	16⅛	2.15	2.10	2.30	9.5	7.0	15	low
HJ Heinz	40⅛	3.33	3.74	4.20	12.3	9.7	8	very high
Helmerich & Payne	21⅛	1.90	0.90	1.31	45.6	16.6	17	very low
Hercules	32⅞	3.17	3.87	4.56	17.8	7.2	21	average
Hershey Foods	37⅛	3.20	3.50	3.96	13.1	9.5	12	very high
Hewlett-Packard	36⅞	1.69	2.20	2.75	25.0	13.4	29	average
Hexcel	25¼	1.03	1.57	2.13	35.7	11.9	7	low
Hillenbrand Industries	19½	1.79	1.98	2.27	14.6	8.6	6	very high
Hilton Hotels	52⅛	3.96	3.80	4.84	27.4	10.8	20	average
Hogan Systems	11½	0.55	0.69	0.95	37.7	12.1	7	low
Holiday Inns	36⅞	3.28	3.64	4.43	21.7	8.3	20	high
Home Depot	14⅜	0.41	0.66	1.02	54.5	14.1	10	average
Home Fed S & L Assn	17½	1.59	2.93	3.23	10.2	5.4	11	low
Homestake Mining	26	1.08	0.80	1.42	77.5	18.3	13	very low
Honeywell	54	5.03	6.16	7.34	19.2	7.4	18	high
Hospital Corp of America	40	2.80	3.38	4.04	19.5	9.9	30	very high
Houghton Mifflin	31⅛	2.16	2.50	2.85	14.0	10.9	5	very high
House of Fabrics	16¼	1.46	1.83	2.15	17.5	7.8	5	high
Household International	32½	3.59	4.03	4.53	12.4	7.2	8	average
Houston Industries	21¼	3.54	3.90	4.08	4.6	5.2	15	very high
Harvey Hubbell	33¼	2.45	3.21	3.78	17.8	8.8	6	high
Hughes Tool	15	–1.64	–1.55	1.10	NM	13.6	29	very low
Humana	25⅝	1.63	1.96a	2.37	20.9	10.8	30	very high
EF Hutton Group	29⅛	4.42	1.18	2.65	124.6	11.2	7	very low
Hybritech	15	–0.05	0.14	0.38	171.4	39.5	9	very low
ITT	28⅛	4.50	3.31	4.25	28.4	6.7	15	low
Idaho Power	37	4.50	4.84	4.55	–6.0	8.1	12	average
Ideal Basic Industries	16½	–2.60	–0.71	1.61	NM	10.2	7	very low
Illinois Power	21⅞	3.80	3.78	3.77	–0.3	5.8	13	average
Illinois Tool Works	28¼	1.99	2.37	2.73	15.2	10.3	11	average
Imperial Chem Industries	32⅝	3.79	5.37	6.15	14.5	5.3	6	low
Imperial Corp Americs	8	–2.46	0.54	0.95	75.9	8.4	8	very low
Inco Ltd	10½	–2.69	–0.45	1.19	NM	8.8	18	very low
Inexco Oil	8⅞	0.51	0.61	0.84	37.7	10.6	15	very low
Informatics General	15½	1.67	1.24	1.78	39.5	9.0	13	low
Information Resources	26¼	0.41	0.70	1.09	55.7	24.1	6	high
Infotron Systems	24¼	1.31	1.74	2.30	32.2	10.5	5	high
Ingersoll-Rand	40⅞	–1.56	3.12	5.08	62.8	8.0	19	low
Inland Steel	22⅜	–2.40	1.71	3.89	127.5	5.8	11	very low
Insilco	17	1.99	2.13	2.47	16.0	6.9	5	low
InteCom	11½	0.33	0.37	0.70	89.2	16.4	17	low
Integrated Software Systems	16¼	0.60	0.81	1.11	37.0	14.6	7	very high

a: Actual. NM: Not meaningful.

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How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Intel	29½	$1.05	$1.99	$2.62	31.7%	11.3	29	low
Interco	56⅜	7.02	8.00	8.91	11.4	6.4	7	high
InterFirst	12⅜	–2.82	0.91	1.65	81.3	7.5	17	low
Intergraph	51½	1.16	2.35	3.08	31.1	16.7	21	average
Intermedics	12	–0.93	0.39	1.00	156.4	12.0	11	very low
Intl Business Machines	121¼	9.04	10.62	12.25	15.3	9.9	31	very high
Intl Clinical Labs	17¼	0.85	1.01	1.34	32.7	12.9	11	average
Intl Flavors & Fragrances	25⅜	1.87	2.02	2.29	13.4	11.1	13	high
Intl Harvester	6½	–15.03	–1.50	1.40	NM	4.6	9	very low
Intl Multifoods	25½	4.03	2.90	3.48	20.0	7.3	5	average
Intl Paper	49¾	4.61	5.25	6.98	33.0	7.1	15	low
InterNorth	39	4.77	5.64	6.15	9.0	6.3	18	average
Interpublic Group	32¾	2.43	3.06	3.50	14.4	9.4	5	very high
Iowa Resources	27⅝	4.46	3.98	4.20	5.5	6.6	5	average
Ipalco Enterprises	31½	4.17	4.14	4.17	0.7	7.6	15	average
Irving Bank	27½	4.86	5.20	5.54	6.5	5.0	7	very high
IU International	15½	1.74	1.44	2.26	56.9	6.9	14	very low
Jackson National Life	30¼	2.33	2.87	3.73	30.0	8.1	6	average
James River	32⅛	3.40	4.15	4.65	12.0	6.9	7	average
Jefferson-Pilot	35⅛	3.08	3.58	3.88	8.4	9.1	18	average
Johnson & Johnson	30⅝	2.57	2.83	3.23	14.1	9.5	25	high
Johnson Controls	40½	4.17	4.69	4.94	5.3	8.2	8	average
Joy Manufacturing	23¾	0.69	1.78	2.61	46.6	9.1	20	low
JWT Group	34½	3.03	3.99	4.61	15.5	7.5	6	high
K mart	34⅞	3.80	4.46	5.02	12.6	6.9	24	average
Kaiser Aluminum & Chemical	13⅝	–1.65	1.73	2.85	64.7	4.8	16	very low
Kaiser Cement	20¼	–1.33	–1.72	1.92	NM	10.6	8	very low
Kaneb Services	10⅝	1.75	0.86	1.27	47.7	8.4	10	low
Kansas City Power & Light	19⅛	4.15	4.09	4.00	–2.2	4.9	7	average
Kansas City So Ind	41½	4.11	4.56	5.24	14.9	7.9	7	high
Kansas Gas & Electric	17½	3.08	3.06	3.07	0.3	5.7	9	very high
Kansas Power & Light	32⅞	4.66	4.63	4.73	2.2	7.0	12	average
Carl Karcher Enterprises	22½	1.61	1.88	2.25	19.7	10.0	9	high
Kellogg	36⅛	3.17	3.24	3.55	9.6	10.3	16	very high
Kemper	38⅛	4.68	1.71	4.19	145.0	9.2	10	very low
Kentucky Utilities	23⅛	3.57	3.11	3.19	2.6	7.4	9	high
Kerr-McGee	31⅜	2.24	3.27	3.90	19.3	8.0	18	average
Key Pharmaceuticals	11⅛	0.51	0.75	1.06	41.3	11.1	11	average
Keystone Intl	15⅝	0.86	1.08	1.47	36.1	10.6	8	average
Kidde	29½	3.07	3.62	4.05	11.9	7.3	5	high
Kimberly-Clark	44	4.19	5.01	5.72	14.2	7.7	13	high
Kinder-Care Learning Centers	15	0.37	0.62a	0.78	25.8	19.2	6	average
Knight-Ridder News	27⅛	1.80	2.21	2.54	14.9	10.7	20	very high
Kollmorgen	19¾	0.91	1.46	2.01	37.7	9.8	7	average
Koppers	21⅛	0.81	1.84	2.83	53.8	7.5	9	low
Kroger	38⅜	2.66	3.40	4.10	20.6	9.4	10	average

a: Actual. NM: Not meaningful.

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How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Kulicke & Soffa Industries	25⅝	$0.23	$1.72	$2.59	50.6%	9.9	9	average
LTV	11⅛	–4.09	–0.40	2.72	NM	4.3	11	very low
Lance	30¼	2.30	2.62	2.91	11.1	10.4	8	average
Lane	36¼	3.52	4.34	4.75	9.4	7.6	5	low
Lawson Products	21¾	1.22	1.64	2.01	22.6	10.8	7	high
Lawter International	12⅛	0.83	0.98	1.17	19.4	10.4	6	very high
Lear Petroleum	19	1.98	2.12	2.71	27.8	7.0	12	average
Leaseway Transportation	28⅛	3.12	3.25	3.88	19.4	7.2	11	average
Levi Strauss	27⅝	4.61	1.65	3.02	83.0	9.1	15	low
Liberty	23	2.03	2.24	2.47	10.3	9.3	7	average

Confidence factors behind these estimates vary widely. Analysts, for example, are in close agreement about Warner-Lambert. But they are poles apart on AT&T.

Liebert	20½	0.80	1.04	1.32	26.9	15.5	5	very high
Eli Lilly	59⅞	6.13	6.73	7.30	8.5	8.2	28	very high
Limited	25¾	1.18	1.56	2.03	30.1	12.7	10	average
LIN Broadcasting	20⅜	1.06	1.26	1.44	14.3	14.1	7	high
Lincoln National Corp	35⅛	3.87	4.24	4.65	9.7	7.6	17	high
Liz Claiborne	47¾	2.13	3.60	4.51	25.3	10.6	9	high
Lockheed	46¼	4.18	5.20	6.36	22.3	7.3	24	very high
Lone Star Industries	23⅞	–0.26	0.33	2.50	657.6	9.6	7	very low
Long Island Lighting	6¼	2.80	2.78	2.58	–7.2	2.4	9	very low
Longs Drug Stores	41⅜	3.43	3.86	4.35	12.7	9.5	10	very high
Loral	27¼	1.44	1.79	2.20	22.9	12.4	15	high
Lorimar	33⅜	1.75	2.06a	4.15	101.5	8.1	5	low
Lotus Development	22¾	0.98	2.18	2.84	30.3	8.0	15	very low
Louisiana Land & Exploration	30	2.65	3.25	3.52	8.3	8.5	14	average
Louisiana Pacific	20¼	0.82	1.53	1.70	11.1	11.9	12	very low
Louisville Gas & Electric	25¼	2.87	3.16	3.20	1.3	7.9	10	high
Lowe's Cos	21⅝	1.40	1.82	2.14	17.5	10.1	16	average
LSI Logic	15¾	0.44	0.67	0.97	44.8	16.2	9	low
Lubrizol	21⅞	1.65	1.95	2.30	17.9	9.5	15	average
Luby's Cafeterias	30¼	1.15	1.43a	1.64	14.7	18.5	8	very high
Lucky Stores	17½	2.02	2.23	2.47	10.8	7.1	12	high
LyphoMed	12½	0.41	0.53	0.70	32.1	17.9	6	average
M/A-Com	18¼	0.72	0.91	1.27	39.6	14.4	21	average
MAPCO	25	1.73	2.88	3.37	17.0	7.4	8	high
MCA	43⅜	3.06	2.42	3.46	43.0	12.5	15	average
MDC	10¼	1.00	1.15	1.28	11.3	8.0	5	average
MEI	36⅞	2.27	2.67	3.11	16.5	11.9	13	high
Macmillan	38½	2.16	2.62	3.03	15.6	12.7	5	average
MacNeal-Schwendler	12⅝	0.45	0.59	0.75	27.1	16.8	5	high
Mack Trucks	14½	–0.97	2.27	3.42	50.7	4.2	7	low
Management Science of America	9¼	0.62	0.78	1.11	42.2	8.3	18	low

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Manhattan Industries	18¼	$2.89	$3.17	$3.94	24.3%	4.6	5	low
Manufacturers Hanover	31⅛	8.37	7.47	8.40	12.4	3.7	16	average
Marine Midland Banks	25¾	4.85	5.09	5.72	12.4	4.5	5	average
Marriott	75	4.15	5.10	6.07	19.0	12.4	16	high
Marsh & McLennan	51½	3.49	2.41	4.13	71.4	12.5	13	average
Martin Marietta	42¾	4.23	4.93	5.91	19.9	7.2	15	average
Mary Kay Cosmetics	10⅜	1.22	0.98	1.18	20.0	8.8	10	low
Maryland National	39	4.69	5.74	6.63	15.5	5.9	5	average
Masco	25¼	1.93	2.50	2.90	16.0	8.7	11	average
Matrix Corp	19	0.62	0.95	1.21	26.9	15.7	8	average
Maxicare Health Plans	25¾	0.35	0.62	0.98	58.1	26.3	11	average
May Department Stores	39	4.32	4.87	5.37	10.1	7.4	20	very high
Maytag	46½	4.37	4.88	4.99	2.3	9.3	7	high
McCormick & Co	32¼	2.35	3.86	3.13	–18.9	10.3	6	average
McDermott Intl	28	3.06	2.75	4.03	46.5	6.9	12	very low
McDonald's	53	3.83	4.39	5.06	15.2	10.5	19	very high
McDonnell Douglas	71	6.91	7.75	9.62	24.1	7.4	20	average
McGraw-Edison	35⅜	1.92	3.75	4.81	28.3	7.4	13	average
McGraw-Hill	41	2.52	2.94	3.37	14.6	12.2	14	very high
McKesson	38	3.49	3.55	3.90	9.9	9.7	6	average
MCI Communications	7⅝	0.67	0.56	0.84	50.0	9.1	19	very low
MCorp*	23½	3.96	4.00	4.57	14.3	5.1	15	average
Mead	34⅞	1.30	4.65	5.86	26.0	6.0	15	low
Measurex	19½	0.65	1.38	1.71	23.9	11.4	8	average
Media General	60	5.07	5.31	5.84	10.0	10.3	7	average
Mellon Bank†	42½	7.44	6.01	7.13	18.6	6.0	14	high
Melville	37⅝	3.36	3.88	4.42	13.9	8.5	15	very high
Mentor Graphics	22⅝	–9.00	0.61	1.17	91.8	19.3	13	average
Mercantile Stores	52⅝	5.65	6.36	7.19	13.1	7.3	7	very high
Merck & Co	82	6.10	6.69	7.52	12.4	10.9	31	very high
Merrill Lynch	29⅞	2.68	0.79	2.03	157.0	14.7	8	very low
Mesa Petroleum	19½	1.72	1.04	1.37	31.7	14.2	19	very low
MGM Grand Hotels	11⅜	0.65	0.47	0.88	87.2	13.2	8	low
MGM/UA Entertainment	12⅝	0.57	0.81	1.07	32.1	11.8	13	very low
MGM/UA Home Entertain Group	20⅝	1.40	1.63	1.96	20.2	10.5	7	average
Micom Systems	34½	1.34	1.82	2.48	36.3	13.9	10	average
MidCon	38½	4.11	4.72	5.29	12.1	7.3	15	high
Middle South Utilities	12¾	2.46	2.66	2.63	–0.9	4.8	12	high
Midland-Ross	18⅝	–0.83	1.37	2.15	56.9	8.7	6	low
Midlantic Banks	25¾	3.45	3.98	4.39	10.3	5.9	5	high
Millipore	32⅞	1.52	1.98	2.56	29.3	12.8	14	average
Minnesota Mining & Mfg	79½	5.67	6.59	7.73	17.3	10.3	18	high
Minnesota Power & Light	29⅜	3.82	4.00	4.20	5.0	7.0	11	average
Mission Insurance Group	10⅝	–1.29	–4.73	–0.93	NM	NM	11	very low
Mitchell Energy & Development	18¼	1.52	1.72	2.27	32.0	8.0	13	low
Mobil	28⅞	3.69	3.86	4.33	12.2	6.7	29	average

*Formerly Mercantile Texas. †Formerly Mellon National. a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Mohasco	17⅞	$1.96	$2.64	$3.12	18.2%	5.7	5	low
Monarch Capital	39⅝	3.30	3.91	4.44	13.6	8.9	8	average
Monolithic Memories	17	0.60	1.31	1.71	30.5	9.9	14	average
Monsanto	43⅞	4.88	6.50	7.32	12.6	6.0	28	average
Montana Power	24¼	4.22	2.65	3.32	25.3	7.3	12	low
Montana-Dakota Utilities	28½	3.90	4.17	4.60	10.3	6.2	5	high
Moore McCormack Resources	22⅛	1.33	2.21	3.69	67.0	6.0	8	low
JP Morgan	72¾	10.52	11.51	12.67	10.1	5.7	20	high
Motorola	34⅞	2.09	3.26	3.90	19.6	8.9	29	average
Multimedia	33¾	2.15	2.47	2.85	15.4	11.8	9	very high
Murphy Oil	30¾	3.60	2.94	3.58	21.8	8.6	13	average
Murray Ohio Mfg	21	3.53	2.38	2.60	9.2	8.1	6	very low
NCNB	32½	3.68	4.02	4.49	11.7	7.2	16	very high
NCR	24⅜	2.64	3.13	3.58	14.4	6.8	20	very high
NICOR	28½	1.66	2.17	2.64	21.7	10.8	8	average
NYNEX	71¼	9.88	9.77	10.46	7.1	6.8	27	very high
Nabisco Brands	50¾	4.86	5.13	5.81	13.3	8.7	21	high
Nalco Chemical	23¾	1.78	2.13	2.50	17.4	9.5	15	high
National City Corp	33¼	6.39	4.83	5.27	9.1	6.3	9	high
National Distillers & Chemical	26½	1.77	2.86	3.46	21.0	7.7	7	average
National Education	17⅜	0.70	0.92	1.18	28.3	14.7	5	average
National Gypsum	35¾	3.01	6.56	6.85	4.4	5.2	8	very low
National Intergroup	28¾	–9.46	3.07	5.36	74.6	5.4	11	very low
National Medical Care	17⅞	1.26	1.48	1.71	15.5	10.5	7	average
National Medical Enterprises	21¼	1.74	2.11	2.55	20.9	8.3	7	high
National Semiconductor	12¾	0.75	1.39	1.88	35.3	6.8	13	average
NBD Bancorp	48⅜	6.62	7.53	8.21	9.0	5.9	5	high
Network Systems	23⅜	0.46	0.71	1.03	45.1	22.7	17	average
Nevada Power	26¾	2.74	3.19	3.25	1.9	8.2	10	high
New England Electric Sys	35⅛	5.48	5.53	5.76	4.2	6.1	14	high
New York State Elec & Gas	21¼	3.03	3.38	3.43	1.5	6.2	13	very high
New York Times	33½	1.82	2.52	2.94	16.7	11.4	12	high
Newell Cos	13¾	1.48	1.76	2.04	15.9	6.7	5	very high
Newmont Mining	35	1.73	1.68	3.24	92.9	10.8	15	low
Newport Corp	23	0.56	0.73a	0.93	27.4	24.7	7	high
Niagara Mohawk Power	16¼	2.77	2.79	2.86	2.5	5.7	12	high
NL Industries	12¾	–1.80	0.41	1.15	180.5	11.1	17	very low
Noble Affiliates	16¼	0.52	0.58	1.10	89.7	14.8	21	very low
Nordstrom	32½	2.15	2.42	2.95	21.9	11.0	18	average
Norfolk Southern	55½	5.67	7.31	8.08	10.5	6.9	20	average
North American Coal	48⅛	6.27	7.34	7.90	7.6	6.1	6	high
Northeast Utilities	13⅛	2.37	2.52	2.56	1.6	5.1	15	high
Northern Indiana Pub Svc	14⅝	1.73	1.94	2.01	3.6	7.3	14	average
Northern States Power	41¼	5.60	5.69	5.79	1.8	7.1	19	high
Northrop	33¾	2.21	3.28	4.52	37.8	7.5	19	average
Northwest Airlines	38	2.19	4.71	5.55	17.8	6.8	17	low

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Iris Corp.

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How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates
Northwestern National Life Ins	25⅛	$2.01	$2.58	$2.95
Norton	37½	2.45	3.05	4.09
Norwest	26	4.05	4.25	4.94
Novo Industri A/S	24¼	2.91	3.11	3.69
Noxell	43⅞	2.33	2.80	3.28
Nucor	30	1.98	3.23	4.57
ONEOK	28¾	2.51	3.92	4.32
Oakwood Homes	20⅞	1.34	1.63	1.94
Occidental Petroleum	30⅝	1.06	2.28	3.27
Ocean Drilling & Exploration	26½	2.31	1.83	2.57
Ogden	25¼	2.66	2.64	3.49
Ogilvy & Mather Intl	35	1.99	2.73	3.21
Ohio Casualty Corp	41¾	4.85	2.79	3.64
Ohio Edison	13	2.22	2.29	2.29
Oklahoma Gas & Electric	22⅛	2.68	2.67	2.79
Olin	30½	3.01	3.95	4.78
Omnicare	8¾	1.69	1.22	1.53
Optical Coating Laboratory	15⅝	2.04	1.43	1.77
Orange & Rockland Utilities	23⅞	2.64	2.76	2.87
Orion Capital	22⅞	2.04	0.59	1.48
Outboard Marine	23¾	2.26	3.00	3.49
Overnite Transportation	23⅛	2.10	2.43	2.79
Owens-Corning Fiberglas	30⅝	2.77	4.40	4.84
Owens-Illinois	41⅛	2.46	4.61	5.47
Ozark Holdings*	9	0.17	1.28	1.58
PSA	17⅜	–2.95	0.02	1.33
Paccar	44¼	2.07	5.99	7.58
PacifiCorp	23¾	4.11	3.55	3.86
Pacific Gas & Electric	14⅞	2.15	2.56	2.69
Pacific Lighting	35¼	5.02	5.22	5.58
Pacific Lumber	25¾	1.17	2.05	2.29
Pacific Telesis Group	65⅛	8.17	8.34	8.94
Paco Pharmaceutical Svcs	15¾	0.92	0.99	1.27
Palm Beach	37⅛	3.60	4.36	5.16
Panhandle Eastern	36⅞	3.64	4.38	5.16
Papercraft	14⅜	0.99	1.26	1.50
Paradyne	12½	0.16	0.70	1.23
Parker Drilling	7⅜	–0.88	–1.41	–0.27
Parker Pen	16⅜	0.70	0.94	1.66
Pay Less Drug Stores NW	21⅜	1.35	1.62	1.91
Pay'n Pak Stores	15¾	1.11	1.33	1.61
Payless Cashways	14¼	1.29	1.35	1.68
Peabody Intl	8	0.78	0.21	0.97
Peak Health Care	21⅛	0.35	0.67	0.95
Penn Central	46⅛	–0.43	3.80	4.37
JC Penney	51¼	6.25	6.87	7.69

*Formerly Ozark Air Lines. a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Iss Corp.

% change 1985 vs. 1984 estimates	1985 estimate P/E	number of analysts	confidence factor
14.3%	8.5	5	low
34.1	9.2	8	low
16.2	5.3	21	average
18.6	6.6	9	low
17.1	13.4	12	very high
41.5	6.6	8	very low
10.2	6.7	9	high
19.0	10.8	6	average
43.4	9.4	13	very high
40.4	10.3	14	low
32.2	7.2	8	average
17.6	10.9	6	high
30.5	11.5	17	very low
0.0	5.7	13	average
4.5	7.9	18	high
21.0	6.4	12	low
25.4	5.7	9	very low
23.8	8.9	6	average
4.0	8.3	7	high
160.9	15.9	5	very low
16.3	6.8	6	average
14.8	8.5	16	high
10.0	6.3	14	low
18.7	7.5	9	average
23.4	5.7	10	very low
NM	13.1	8	very low
26.5	5.8	10	low
8.7	6.2	15	very high
5.1	5.5	17	high
6.9	6.3	10	very high
11.7	11.2	7	average
7.2	7.3	28	high
28.3	12.4	5	high
18.3	7.2	6	average
17.8	7.1	19	average
19.0	9.6	5	very high
75.7	10.2	11	low
NM	NM	17	very low
76.6	9.9	7	low
17.9	11.2	10	high
21.1	9.8	7	average
24.4	8.5	16	average
361.9	8.2	5	low
41.8	22.5	8	average
15.0	10.6	5	very low
11.9	6.7	23	high

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How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Pennsylvania Power & Light	24⅛	$3.06	$3.25	$3.41	4.9%	7.1	13	high
Pennwalt	36½	3.58	3.77	4.47	18.6	8.2	11	average
Pennzoil	40¾	3.03	3.84	4.36	13.5	9.3	18	average
Pentair	27⅜	2.40	3.89	4.37	12.3	6.3	9	average
People Express Airlines	10⅜	0.57	0.60	1.07	78.3	9.7	12	low
Peoples Energy	14⅜	1.25	1.86	1.78	–4.3	8.2	6	high
PepsiCo	43½	3.01	3.59	4.18	16.4	10.4	21	very high
Permian Basin Royalty Trust	9	1.21	1.22	1.32	8.2	6.8	7	average
Petrolite	29¼	1.86	2.14	2.51	17.3	11.7	11	very high
Pfizer	36⅛	2.73	3.11	3.52	13.2	10.3	29	very high
Pharmacia AB ADR	16½	0.94	1.14	1.48	29.8	11.1	6	low
Phelps Dodge	15⅞	–3.04	–2.53	0.97	NM	16.4	17	very low
Phibro-Salomon	30⅝	3.35	3.43	4.11	19.8	7.5	8	average
Philadelphia Electric	13⅞	2.40	2.53	2.54	0.4	5.5	12	very high
Philips Industries	15	1.43	1.75	2.06	17.7	7.3	5	high
Philip Morris	78½	7.17	8.37	9.80	17.1	8.0	20	very high
Phillips Petroleum	40	4.71	5.06	5.43	7.3	7.4	31	high
Pic'n'Save	20⅛	1.17	1.37	1.67	21.9	12.2	11	high
Piedmont Aviation	29⅛	3.28	4.64	5.44	17.2	5.4	17	low
Pillsbury	42¾	3.91	4.30	4.80	11.6	8.9	5	very high
Pioneer Corp	27½	2.01	2.11	2.58	22.3	10.7	16	low
Pioneer Hi-Bred Intl	29	1.37	2.30	3.22	40.0	9.0	13	average
Pitney Bowes	31⅛	2.23	3.51	4.02	14.5	7.7	10	very high
Pittston	11½	–2.08	–0.16	0.72	NM	16.0	9	very low
PNC Financial	43⅜	5.66	6.15	6.95	13.0	6.3	10	very high
Pogo Producing	21¾	0.88	0.98	1.43	45.9	15.2	8	very low
Polaroid	26⅛	1.61	1.77	2.53	42.9	10.3	19	low
Policy Management Systems	25¼	0.63	0.85	1.15	35.3	22.0	12	very high
Ponderosa	15⅝	1.51	2.18	2.73	25.2	5.7	9	average
Portland General Electric	15¾	3.01	2.83	2.94	3.9	5.4	6	average

Experts predict that Apple's earnings will be up 125% next year, the best gain among big computer companies.

Potlatch	29¼	2.03	3.40	4.25	25.0	6.9	11	low
Potomac Electric Power	24⅜	2.66	2.87	2.98	3.8	8.3	18	average
PPG Industries	33¾	3.34	4.58	5.31	16.9	6.4	10	average
Prentice-Hall	45½	3.93	4.04	4.66	15.3	9.8	6	average
Preston	14¾	1.35	1.65	1.97	19.4	7.5	7	low
Price Co	43½	0.67	1.18	1.71	44.9	25.4	10	average
Primark	32¼	3.48	5.26	5.69	8.2	5.7	7	average
Prime Computer	16½	0.68	1.07	1.40	30.8	11.8	28	average
Products Research & Chemical	10¾	0.80	0.51	0.81	58.8	13.3	6	average
Progressive Ohio	36¼	2.81	3.41	4.00	17.3	9.1	9	low
Provident Life & Accident	73½	9.54	10.09	11.08	9.8	6.6	8	high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Public Service Electric & Gas	25⅛	$3.43	$3.70	$3.73	0.8%	6.7	18	high
Public Service of Indiana	8⅜	4.46	1.11	1.08	–2.7	7.8	10	low
Public Service of Colorado	18⅛	1.86	2.27	2.34	3.1	7.7	17	high
Public Service of New Mexico	24⅜	3.53	3.10	3.43	10.6	7.2	13	average
Puget Sound Power & Light	12½	1.93	1.87	1.91	2.1	6.5	5	low
Pulte Home	15⅜	1.84	0.64	1.09	70.3	14.1	7	very low
Quaker State Oil Refining	17	1.66	1.86	2.34	25.8	7.3	5	average
Quantum	20	1.12	1.87	2.43	29.9	8.2	5	average
Questar*	28⅝	3.04	3.19	3.71	16.3	7.7	9	high
Questron Systems	10½	0.69	0.87	1.08	24.1	9.7	10	high
RCA	37⅝	2.10	3.31	4.08	23.3	9.2	13	average
RPM	15¾	1.09	1.34	1.61	20.1	9.8	6	high
RTE	13⅜	1.67	1.85	2.26	22.2	6.0	5	very high
Rainier Bancorp	41⅛	4.90	5.89	6.57	11.5	6.3	14	high
Ralston Purina	33⅜	2.49	2.82	3.32	17.7	10.1	20	high
Ramada Inns	6¾	0.13	0.51	0.78	52.9	8.7	13	low
Ransburg	18½	0.10	–0.13	1.66	NM	11.1	7	very low
Raytheon	40¼	3.55	3.96	4.98	25.8	8.1	26	high
Reading & Bates	10¼	1.05	0.22	0.67	204.6	15.3	18	very low
Redman Industries	10	0.78	0.97	1.29	33.0	7.8	8	very low
Reichhold Chemicals	32	2.74	3.56	4.39	23.3	7.3	8	high
Republic Health	13¼	0.89	1.34	1.86	38.8	7.1	6	average
RepublicBank	30⅛	4.61	4.66	5.32	14.2	5.7	20	average
Research-Cottrell	17⅝	0.55	0.92	1.33	44.6	13.3	5	low
Resorts International	38⅜	2.19	2.15	3.70	72.1	10.4	9	very low
Revlon	37⅛	2.80	3.14	3.49	11.1	10.6	17	high
Rexham	18¾	1.85	2.49	2.79	12.0	6.7	8	average
Rexnord	15⅞	0.19	1.25	2.21	76.8	7.2	9	low
Reynolds & Reynolds	30½	2.51	3.53	4.19	18.7	7.3	7	average
RJ Reynolds Industries	68¼	7.25	7.60	8.53	12.2	8.0	23	high
Reynolds Metals	30½	–3.46	4.44	5.65	27.3	5.4	19	very low
Rio Grande Industries	50⅜	2.09	3.12	3.51	12.5	14.4	9	average
Rite Aid	25¼	1.42	1.73	2.02	16.8	12.5	12	very high
Roadway Svcs	28¼	2.47	2.63	3.01	14.4	9.4	19	very high
AH Robins	18⅜	2.40	1.97	2.26	14.7	8.2	15	very low
Rochester Telephone	32¼	3.43	3.83	4.21	9.9	7.7	14	high
Rockwell International	28⅜	2.46	3.21	3.88	20.9	7.3	17	average
Rohm & Haas	59⅞	5.33	7.27	8.06	10.9	7.4	19	average
Rollins Environmental Svcs	16¾	0.45	0.91	1.20	31.9	14.0	6	average
Rorer Group	29½	2.02	2.26	2.58	14.2	11.4	10	high
Rowan Cos	11¼	0.38	0.16	0.85	431.3	13.2	22	very low
Royal Dutch Petroleum	47¾	9.59	10.76	11.73	9.0	4.1	21	average
Rubbermaid	38¾	2.30	2.74	3.15	15.0	12.3	10	very high
Russ Togs	15¾	2.29	2.36	2.62	11.0	6.0	6	average
Russell Corp	12½	1.35	1.47	1.66	12.9	7.5	6	low
Ryan's Family Steak House	19¼	0.52	0.78	1.15	47.4	16.7	6	average

*Formerly Mountain Fuel Supply. a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Ips Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Ryder System	48⅞	$4.30	$5.20	$5.90	13.5%	8.3	16	high
Ryland Group	18½	2.52	1.71	1.89	10.5	9.8	7	very low
SAFECO	33¾	3.56	3.34	3.88	16.2	8.7	20	average
SRI	17½	2.00	1.34	2.17	61.9	8.1	5	very low
Sabine Corp	17⅝	2.44	0.93	1.15	23.7	15.3	20	low
Safeguard Business Systems	15	0.93	1.11	1.32	18.9	11.4	6	high
Safety-Kleen	37¼	1.71	2.11	2.55	20.9	14.6	13	very high
Safeway Stores	25½	3.26	3.48	3.92	12.6	6.5	12	high
St Regis Corp	53¾	1.41	4.00	5.44	36.0	9.9	12	average
San Diego Gas & Electric	21¾	3.20	3.07	3.15	2.6	6.9	12	high
Santa Fe Southern Pacific	25	1.77	2.59	3.07	18.5	8.1	17	average
Schering-Plough	36	3.40	3.57	3.95	10.6	9.1	29	high
Schlumberger	43⅞	3.73	4.22	5.07	20.1	8.7	27	average
SCOA Industries	24⅛	2.22	2.62	3.00	14.5	8.0	5	average
Scott & Fetzer	54¾	4.80	5.43	5.99	10.3	9.1	5	high
Scott Paper	30	2.58	3.75	4.49	19.7	6.7	11	average
Seagram	37¾	3.53	4.39	5.16	17.5	7.3	6	average
Seagull Energy	17¾	2.25	1.28	2.55	99.2	7.0	6	low
Sealed Air	25¼	1.30	1.85	2.22	20.0	11.4	12	very high
Sealed Power	25⅛	2.38	3.11	3.65	17.4	7.0	5	average
GD Searle	58⅞	3.04	3.30	4.38	32.7	13.4	28	average
Sears, Roebuck	32⅛	3.80	4.43	5.04	13.8	6.4	21	high
Security Pacific	52	7.23	7.84	8.77	11.9	5.9	23	high
Service Merchandise	14	1.49	1.70	2.08	22.4	6.7	12	high
ServiceMaster Industries	31½	1.17	1.41	1.70	20.6	18.5	11	high
Shared Medical Systems	26¼	1.11	1.37	1.67	21.9	16.0	25	very high
Shell Oil	56⅛	5.28	5.42	5.93	9.4	9.5	21	average
Sherwin-Williams	28⅞	2.04	2.74	3.25	18.6	8.9	7	very high
Shoney's Inc	33⅞	1.16	1.43	1.75	22.4	19.4	18	very high
Sierra Pacific Resources	15¾	1.70	1.98	1.99	0.5	7.9	5	high
Sigma-Aldrich	45¼	2.28	2.72	3.21	18.0	14.1	7	very high
Signal Cos	29¾	0.90	2.59	3.22	24.3	9.2	11	high
Silicon Valley Group	18	0.76	1.27	1.81	42.5	9.9	6	average
Singer	32⅛	0.64	3.20	4.23	32.2	7.6	12	low
Smith International	14⅜	–4.17	0.63	1.46	131.7	9.9	24	very low
SmithKline Beckman	55¾	5.89	6.34	6.97	9.9	8.0	28	very high
Snap-On Tools	34⅜	2.12	2.89	3.30	14.2	10.5	10	average
Society	32½	4.53	5.09	5.71	12.2	5.7	5	very high
Sonat	34	5.20	4.77	5.11	7.1	6.7	18	high
Sonoco Products	39	3.08	4.25	4.86	14.4	8.0	7	high
Sony ADR	15⅝	0.55	1.26	1.54	22.2	10.1	10	average
South Carolina Electric & Gas	22⅜	2.29	2.54	2.63	3.5	8.5	11	high
Southeast Banking	26	3.01	3.40	3.87	13.8	6.7	11	average
Southern California Edison	21⅜	3.11	3.14	3.26	3.8	6.6	20	high
Southern Co	17½	2.67	2.82	2.89	2.5	6.1	17	average
Southern Indiana Gas & Elec	31¼	4.28	4.48	4.59	2.5	6.8	13	high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimates P/E	1985 estimates number of analysts	1985 estimates confidence factor
Southern New England Tel	33⅞	$3.96	$4.15	$4.46	7.5%	7.6	11	very high
Southland Corp	31	3.17	4.10	5.03	22.7	6.2	10	low
Southland Royalty	15	1.11	0.78	0.98	25.6	15.3	16	low
Southwest Airlines	17⅝	1.44	1.76	2.24	27.3	7.9	18	low
Southwest Bell	66	8.50	8.87	9.48	6.9	7.0	27	high
Southwestern Energy	24⅛	1.58	2.16	2.49	15.3	9.7	8	very high
Southwestern Public Svc	21	2.36	2.47	2.60	5.3	8.1	13	high
Sovran Financial	36⅛	4.12	4.66	5.24	12.4	6.9	9	high
Spectra-Physics	25⅛	0.22	1.01	1.93	90.1	13.1	9	low
Sperry	36⅛	4.17	5.17	6.12	18.4	5.9	11	average

Earnings at Merrill Lynch should be more than $2 next year. That's an increase of over 150%, but barely half the firm's 1982 record.

Springs Industries	31¾	4.15	4.53	5.26	16.1	6.0	7	high
Square D	37⅞	2.22	3.56	4.21	18.3	9.0	12	high
Squibb	47	3.31	3.69	4.21	14.1	11.2	29	very high
AE Staley Mfg	19	0.47	1.31	2.75	109.9	6.9	16	low
Standard Brands Paint	18¾	1.68	1.97	2.28	15.7	8.2	12	average
Standard Microsystems	20	0.74	1.29	1.72	33.3	11.6	6	low
Standard Motor Products	16½	1.60	1.94	2.31	19.1	7.0	7	high
Standard Oil of Indiana	59½	6.39	7.45	8.28	11.1	7.1	32	high
Standard Oil of Ohio	46	6.14	6.93	7.66	10.5	6.0	30	very high
Stanley Works	26½	1.92	2.60	3.00	15.4	8.7	10	average
State Street Boston	38½	4.45	4.96	5.44	9.7	7.1	8	average
Stauffer Chemical	17⅝	–0.28	1.21	2.09	72.7	8.4	23	low
Sterling Drug	27½	2.34	2.42	2.66	9.9	10.2	30	high
JP Stevens	16¼	1.09	1.27	1.94	52.8	8.4	9	very low
Stone Container	31	–0.31	2.97	5.88	98.0	5.3	10	low
Stop & Shop Cos	47½	4.73	5.11	5.78	13.1	8.2	5	very high
Storage Technology	5⅜	–0.28	–0.07	1.28	NM	4.2	11	very low
Storer Communications	40½	–2.42	–0.87	1.04	NM	38.9	14	very low
Stratus Computer	9½	0.13	0.27	0.49	81.5	19.4	10	low
Stryker	20¼	1.16	1.40	1.68	20.0	12.4	11	very high
Subaru of America	103⅛	8.17	9.83	12.08	22.9	8.5	8	average
Sun Co	49	3.78	4.80	5.26	9.6	9.3	24	high
Sundstrand	42⅞	2.42	3.66	5.07	38.5	8.5	13	high
Sunshine Mining	9⅛	0.22	0.21	0.38	81.0	26.0	6	very low
Super Valu Stores	29½	2.08	2.37	2.77	16.9	10.6	6	high
Supermarkets General	28¼	2.22	2.77	3.29	18.8	8.7	8	high
Swift Independent	23⅞	4.40	2.14	3.74	74.8	6.4	7	very low
Systematics Inc	14	0.56	0.73	0.94	28.8	14.9	7	high
Systems & Computer Technology	26	0.57	0.81	1.13	39.5	23.0	9	high
TDK Corp ADS	42⅛	2.11	2.54	2.97	16.9	14.2	5	very high
TRW	70	5.24	6.80	7.81	14.9	9.0	17	high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan Data on diskette from Ips Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Taft Broadcasting	61½	$4.03	$ 4.94	$5.62	13.8%	10.9	13	average
Tambrands	58¼	4.59	5.21	5.84	12.1	10.0	13	very high
Tandem Computers	17⅛	0.76	0.85	1.26	48.2	13.6	23	average
Tandon	6⅝	0.47	0.84	1.10	31.0	6.0	18	low
TECO Energy	28⅛	3.14	3.41	3.50	2.6	8.1	15	high
Tektronix	56⅛	4.64	5.59	6.81	21.8	8.3	10	average
Tele-Communications	19⅛	0.46	0.51	0.52	2.0	38.0	7	very low
Teledyne	270⅛	14.87	20.91	26.53	26.9	10.2	8	low
Teleprompter	16	0.93	1.17	1.51	29.1	10.6	5	average
Telex	33½	2.48	3.40	4.05	19.1	8.3	5	average
Tellabs	13¼	0.99	1.15	1.44	25.2	9.2	7	average
Temple-Inland	32½	1.99	4.01	5.30	32.2	6.1	9	low
Tenneco	37	4.75	5.58	6.37	14.2	5.8	24	high
Teradyne	28⅛	1.08	1.86	2.44	31.2	11.5	20	average
Texaco	35⅛	4.80	5.00	5.59	11.8	6.3	31	average
Texas Air	8¼	–14.58	0.97	1.55	59.8	5.3	6	very low
Texas American Bancshares	36⅝	3.66	4.39	4.89	11.4	7.5	7	very high
Texas Commerce Bancshares	42⅜	5.50	5.96	6.66	11.7	6.4	21	high
Texas Eastern	31⅛	2.98	3.94	4.42	12.2	7.1	19	average
Texas Instruments	129⅜	–6.09	14.11	16.13	14.3	8.0	31	average
Texas Oil & Gas	21	1.40	1.68	2.06	22.6	10.2	29	high
Texas Utilities	25⅞	3.90	4.19	4.33	3.3	6.0	24	very high
Textron	32⅛	2.40	3.16	3.85	21.8	8.3	9	average
Thermo Electron	19½	0.01	1.14	1.62	42.1	12.0	8	average
Thomas & Betts	32½	1.74	2.55	3.12	22.4	10.4	11	average
Thousand Trails	25⅞	1.14	1.64	2.12	29.3	12.2	5	average
Tidewater Inc	21⅛	0.08	0.61	1.32	116.4	16.0	7	very low
TIE/Communications	10	1.14	0.91	1.35	48.4	7.4	10	low
Time Inc	43⅜	2.09	3.30	3.81	15.5	11.5	21	average
Times Mirror	38½	2.90	3.30	3.76	13.9	10.2	16	high
Timken	55⅛	0.05	5.57	7.10	27.5	7.8	5	low
Toledo Edison	17⅛	3.50	3.53	3.49	–1.1	4.9	7	high
Torchmark	30⅜	2.56	2.96	3.33	12.5	9.1	15	average
Toys "R" Us	48¾	1.62	2.18	2.79	28.0	17.5	17	high
Tracor	25½	1.60	2.03	2.39	17.7	10.7	12	average
Trans World Airlines	9¾	–1.71	1.28	1.62	26.6	6.0	13	very low
Transamerica	25¾	2.77	3.17	3.56	12.3	7.2	12	high
Transco Energy	52⅜	5.10	5.46	5.85	7.1	9.0	19	average
Transworld Corp	28¾	1.29	3.08	3.66	18.8	7.9	11	low
Travelers	36⅜	4.08	3.94	4.40	11.7	8.3	20	low
Triad Systems	10	0.29	0.76	1.22	60.5	8.2	10	very low
Tribune Co	30½	1.89	2.37	2.88	21.5	10.6	8	high
Tucson Electric Power	39½	5.37	4.95	5.54	11.9	7.1	13	average
Tyler Corp	29¼	1.88	2.83	3.68	30.0	7.9	7	low
UAL	40⅝	3.88	6.54	7.29	11.5	5.6	15	low
USLIFE	31¾	3.67	3.70	4.18	13.0	7.6	13	high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan Data on diskette from Ivy Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Ultrasystems	18⅞	$0.72	$1.20	$1.78	48.3%	10.6	6	low
Ungermann-Bass	14¾	0.10	0.39	0.76	94.9	19.4	9	average
Union Camp	34⅞	2.73	4.04	4.83	19.6	7.2	16	average
Union Carbide	48⅞	3.11	6.17	7.40	19.9	6.6	29	low
Union Electric	14¾	2.13	2.60	2.55	–1.9	5.8	11	average
Union Pacific	39	2.40	4.05	4.75	17.3	8.2	17	high
Uniroyal	14⅛	1.55	2.45	2.78	13.5	5.1	6	average
United Banks of Colorado	21½	2.40	2.93	3.29	12.3	6.5	5	high
United Energy Resources	24¼	1.04	3.26	3.75	15.0	6.6	15	average
US Bancorp	23⅜	2.66	3.06	3.52	15.0	6.6	14	high
US Gypsum	61	4.77	11.44	11.61	1.5	5.3	8	very low
US Health Care Sys	32¼	0.37	0.64	1.11	73.4	29.1	14	average
US Home	6¾	0.80	–0.45	0.15	NM	45.0	11	very low
US Shoe	26	3.41	2.93	3.90	33.1	6.7	14	low
US Steel	23⅜	–12.07	3.86	5.49	42.2	4.3	13	very low
US Surgical	14⅛	–0.42	1.09	1.40	28.4	10.1	6	low
US Tobacco	35¼	2.42	2.87	3.37	17.4	10.5	13	high
United Stationers	23	0.65	0.99	1.26	27.3	18.3	6	very high
United Technologies	38⅜	3.78	4.32	4.99	15.5	7.7	22	high
United Telecommunications	22	2.61	2.53	2.74	8.3	8.0	20	low
Unitrode	28	1.25	1.66	2.09	25.9	13.4	7	average
Universal Foods	22½	2.91	2.45	2.96	20.8	7.6	7	high
Universal Health Services	11¾	0.70	1.04	1.35	29.8	8.7	6	average
Unocal	38⅜	3.60	4.16	4.61	10.8	8.3	32	high
Upjohn	56	5.28	5.81	6.12	5.3	9.2	30	average
US West	65¼	8.70	8.89	9.54	7.3	6.8	29	very high
USAir Group	27½	3.00	4.37	4.94	13.0	5.6	15	average
USF&G	23⅞	3.02	1.99	1.66	–16.6	14.4	18	very low
Utah Power & Light	23¼	2.39	2.43	2.54	4.5	9.2	13	high
Valero Energy	8⅜	1.57	0.13	0.58	346.2	14.4	6	low
Valid Logic Systems	13⅜	0.08	0.46	0.82	78.3	16.3	13	low
Valley National	27¼	2.72	3.57	4.14	16.0	6.6	13	high
Varian Associates	38	1.97	2.77	3.59	29.6	10.6	19	high
Veeco Instruments	21⅛	1.05	1.53	2.06	34.6	10.3	5	average
VF Corp	23⅞	3.64	3.86	4.20	8.8	5.7	11	average
Viacom Intl	30¼	2.14	2.41	2.90	20.3	10.4	10	average
Vicorp Restaurants	18½	0.85	1.36	1.83	34.6	10.1	6	low
VLSI Technology	11½	–0.47	0.39	0.69	76.9	16.7	7	very low
Vulcan Materials	69	4.69	6.74	8.45	25.4	8.2	8	low
Wachovia	25¾	2.76	3.09	3.45	11.7	7.5	19	high
Wal-Mart Stores	41⅜	1.40	1.92	2.49	29.7	16.6	17	average
Walgreen	40⅝	2.27	2.70	3.21	18.9	12.7	14	very high
Jim Walter	27½	3.02	3.96	4.51	13.9	6.1	14	low
Warnaco	23½	2.80	3.18	3.71	16.7	6.3	10	average
Warner Communications	19⅝	–6.39	–1.80	1.33	NM	14.8	18	very low

a: Actual. NM: Not meaningful.

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How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Warner-Lambert	31¼	$2.51	$2.83	$3.18	12.4%	9.8	30	very high
Washington Fed S&L Assn of Seattle	25¼	4.08	4.82	5.03	4.4	5.0	6	high
Washington Post	81	4.82	5.87	6.81	16.0	11.9	12	high
Waste Management	43⅛	2.50	3.04	3.69	21.4	11.7	10	average
Watkins-Johnson	24¾	1.50	1.81	2.22	22.7	11.1	15	high
WD-40	19¼	1.07	1.30	1.51	16.2	12.7	7	high
Del E Webb	19⅝	0.81	1.63	2.07	27.0	9.5	6	low
Wells Fargo	43¼	6.03	6.60	7.45	12.9	5.8	18	high
Wendy's International	18⅜	1.01	1.25	1.48	18.4	12.4	19	high
West Point-Pepperell	37¾	4.95	5.60	5.99	7.0	6.3	11	low
Western Co of North America	7	–0.67	–0.36	0.48	NM	14.6	18	very low
Western Union	19⅝	–2.78	0.74	1.28	73.0	15.3	6	very low
Westinghouse Electric	26¾	2.54	3.01	3.52	16.9	7.6	18	very high
Westmoreland Coal	19¾	1.91	1.90	2.45	28.9	8.1	8	low
Westvaco	38	2.30	4.28	5.30	23.8	7.2	15	low
Weyerhaeuser	28⅜	1.36	2.15	2.89	34.4	9.8	16	very low
Whirlpool	41	4.58	5.49	5.89	7.3	7.0	11	average
White Consolidated Inds	29¼	3.17	3.77	4.50	19.4	6.6	8	average
Whitehall	21⅜	3.05	2.85	3.50	22.8	6.1	5	low
Whittaker	19	2.55	2.95	2.19	–25.8	8.7	8	very low
Willamette Industries	30½	1.46	3.36	4.47	33.0	6.8	11	low
Williams Cos	29	1.79	4.56	4.94	8.3	5.9	14	average
HJ Wilson	12¼	1.13	1.16	1.59	37.1	7.7	7	low
Winnebago Industries	13⅜	0.63	1.18	1.65	39.8	8.1	5	low
Wisconsin Electric Power	32¾	3.97	4.15	4.32	4.1	7.6	21	high
Wisconsin Power & Light	30¾	3.97	3.93	4.08	3.8	7.5	14	very high
Wisconsin Public Service	32	3.89	4.16	4.24	1.9	7.5	14	high
Witco Chemical	32¾	3.48	4.21	4.79	13.8	6.8	8	high
Wolverine World Wide	13	1.02	1.28	1.67	30.5	7.8	6	low
Woods Petroleum	21⅜	1.15	1.73	2.20	27.2	9.7	14	low

Allis-Chalmers is a company that analysts can't agree on. Per-share estimates for 1985 range from losses of $1 to earnings of $2.

FW Woolworth	35⅞	3.72	4.46	5.09	14.1	7.0	13	average
WM Wrigley Jr	58½	5.12	5.61	6.21	10.7	9.4	8	very high
Wyle Laboratories	13⅛	1.05	1.81	2.15	18.8	6.1	6	average
Wyman-Gordon	29¾	2.41	2.03	3.09	52.2	9.6	7	low
Xebec	8¾	0.39	1.07	1.54	43.9	5.7	6	low
Xerox	36¼	4.42	4.08	5.14	26.0	7.1	15	low
Xicor	10⅞	–0.84	0.40	0.81	102.5	13.4	8	very low
Xtra	26⅛	1.51	3.24	4.46	37.7	5.9	5	average
Yellow Freight System	31	3.46	3.49	4.14	18.6	7.5	17	average
Zapata	18	2.45	1.42	1.67	17.6	10.8	18	very low
Zayre	46	3.34	3.95	4.62	17.0	10.0	11	average
Zenith Electronics	25⅛	2.26	2.88	3.50	21.5	7.3	6	average

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

Careers

Edited by William G. Flanagan

Multiple choice question. An M.B.A. is:
a) A cruel hoax on 140,000 students
b) A lifesaver for ailing colleges
c) A cop-out for employers
d) A shortcut to burnout
e) All of the above

The M.B.A. mills

By John A. Byrne

It is 9 P.M. Many of the 27 students in the square, windowless classroom at New York's Pace University stare aimlessly ahead. They have been in classroom W611, Business and Its Environment, since 7:15 p.m. Some are yawning. Occasionally, some lapse into sleep. Their Styrofoam coffee cups are empty. They can't wait to get out at 9:55.

Leaning on a small lectern, professor Tom Robinson drones on about corporate social responsibility in South Africa. A 64-year-old former college administrator who started teaching full time four years ago, Robinson sympathizes with his sleepy-eyed students. "They're pretty tired by the time they arrive, and they're totally exhausted when they leave," says the affable teacher.

Welcome to the netherworld of the Master of Business Administration degree. This isn't Harvard, but with more than 5,000 students—three times the number at the famous business school—it is the country's largest M.B.A. mill. And, in many ways, concrete-and-glass Pace tells you more about the M.B.A. phenomenon than ivy-walled Harvard or Stanford ever could *(see box, p. 322)*.

Start with the selection process (which many employers say is the only value of the M.B.A.—it's a simplistic screen). Harvard accepts roughly one applicant in five, Stanford one in ten, while Pace welcomes nearly 70% of all those who apply. Cincinnati's Xavier University, the tenth-largest M.B.A. school, says three out of four qualify.

Most of these students are part-timers who go to school at night for up to five years. Indeed, about 70% of the 200,000 M.B.A. hopefuls are part-timers, many holding down full-time jobs during the day. They attend schools such as Pace and Xavier that are not even accredited by the American Assembly of Collegiate Schools of Business. (Only 206 of the 600 schools offering the degree meet the AACSB's minimum academic standards.)

When they are graduated, there are no recruiters at the door. And from their current employers, they are not likely to get a promotion, a raise or even a handshake after five laborious years of study.

Still, the ambitious and hopeful throngs come, with visions of big promotions and heady salaries dancing in their heads. They ignore the humbling statistics. More than 20% of all master's degrees awarded annually—63,000 of 310,000—are M.B.A.s. Only the master's in education, often required for teacher certification, is more popular. During the 1960s an average of 9,600 M.B.A.s a year were granted; today the number is close to seven times that.

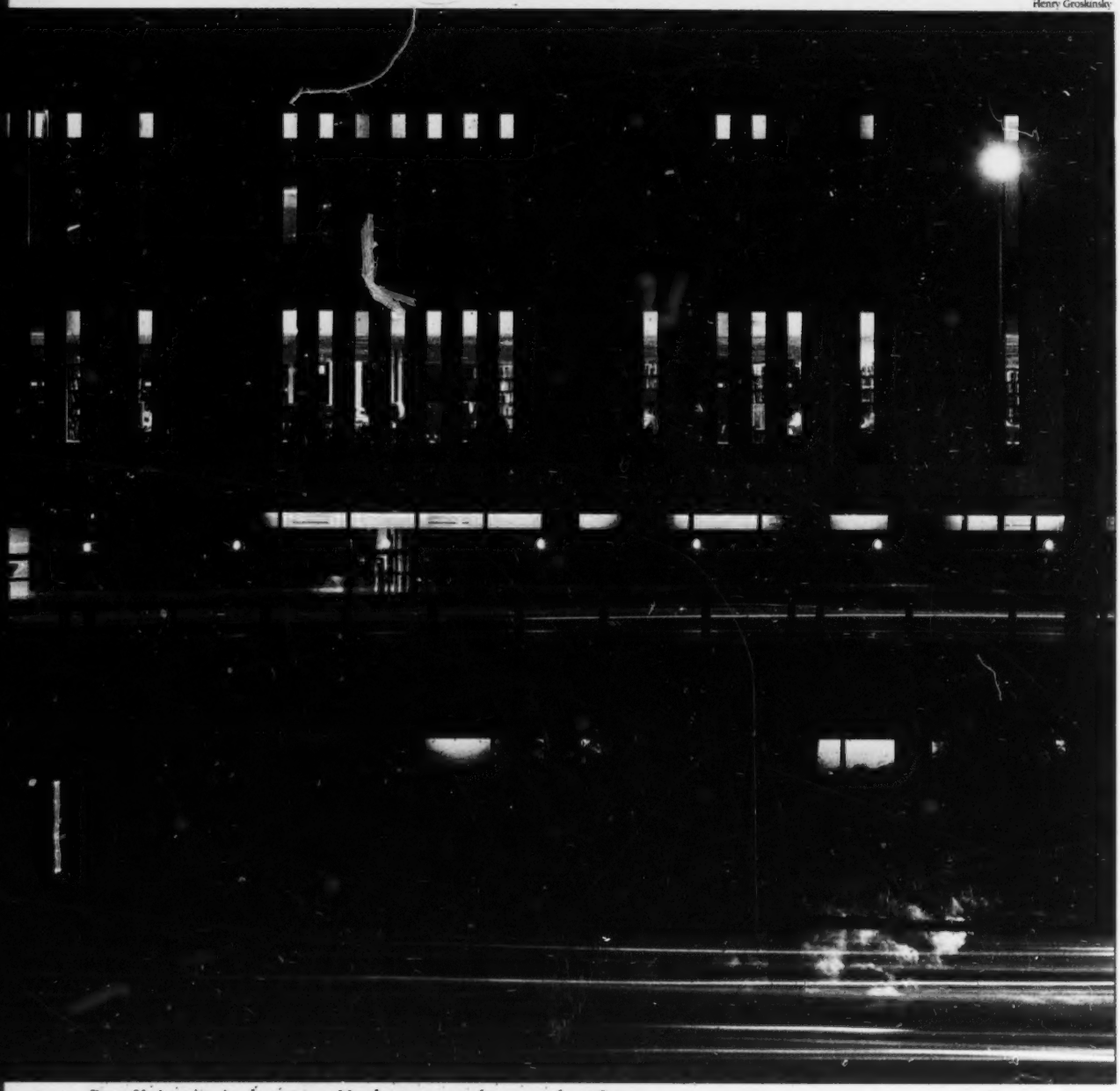
Why? Entry-level managers hope it will move them up faster. Secretaries yearn to become executives. Stuck middle managers believe it will keep them from being trampled by younger colleagues who already have had their passports stamped.

The ugly truth is, many would fare better by going for a drink with the boss after work or putting in more time at the office.

The M.B.A. is, without question, the most oversold degree in the history of education. And make no mistake about it, the degree is sold.

Rider College, in New Jersey, touts its five-year B.A./B.S. M.B.A. program as "preparation for leadership in to-

Henry Groskinsky



Pace University, in downtown Manhattan, one day recently at 9 p.m.
Would students do better putting in more time at the office?

morrow's business world." Fordham University claims its degree is "the right step for your career." Pace University boasts it's "the difference between a job and a career."

Insecure young executives, only a few months or years away from the campus and lost for a lesson plan in how to succeed, are easy victims of such hype. Major employers don't buy any of it.

"There has been a great oversell on the value of an M.B.A.," says Robert Mills, a General Electric manager of university relations and professional recruitment. "You see ads that describe the M.B.A. degree as the essential credential. That's a bunch of nonsense. It's criminal what has been foisted on young people today."

GE, like many other corporations, hires M.B.A.s—but one by one, not by the boatload. Of the 2,000 college graduates recruited annually by General Electric, fewer than 50 hold M.B.A.s. About 80% have technical degrees in engineering, chemistry and computer science. "There's no value to the M.B.A. degree," adds Mills.

Yet hundreds of colleges and universities, hit by slumping enrollments, choose not to listen. Their M.B.A. programs are cash cows that feed other departments operating in the red. "Liberal arts schools, having increasing difficulty paying their bills, view this as the way to stay alive," says Charles Hickman, associate director of the American Assembly of Collegiate Schools of Business.

M.B.A. hopefuls are especially desirable as students because they pay their way, one way or another. As many as two-thirds of the 140,000 part-time M.B.A.s have their tuition

paid in part or in full by their employers. And, since the vast majority of students are also employed full time, they have cash to spare. Result: high tuition fees and little resistance whenever they are raised, which is often. At financially troubled Fairleigh Dickinson University in New Jersey, which has the nation's second-largest unaccredited M.B.A. mill, M.B.A. tuition has risen over 50% just since 1980, to $202 per credit.

Is it any wonder that more than 600 institutions now offer the degree, up from only 390 a decade ago? That total doesn't include a lot of "schools" that are little more than storefronts passing out degrees. Thomas Keller, dean of Duke University's Fuqua School of Business, notes that there are now 43 M.B.A. programs in North Carolina alone. "I didn't know there were 43 higher education institutions in the state," he says incredulously.

The proliferation has caused a shortage of qualified professors with business degrees so acute that even top schools are hiring teachers with degrees in other disciplines. At UCLA's well-regarded Graduate School of Management, for example, one assistant professor who teaches marketing has a Ph.D. in geography. He never took a marketing course in his life.

Let's look at some numbers. Take Michigan State University. Traditionally, students there pay a mere one-third of their educational costs. State aid and other funding cover the rest. But for every dollar in the business school budget, it receives $1.31 in tuition from students.

Dean Richard Lewis is fond of referring to his school as a "revenue producer. It's a little more palatable for academicians," he explains. "It's not nice to call it profit."

A top accredited business school such as Michigan State is without the benefit of cheap, part-time faculty teaching especially lucrative night courses. That would change the economics dramatically.

Other schools are not so fussy. Unaccredited Pace

Top ten business schools by enrollment

University	Graduate students full-time	Graduate students part-time	Total '83-'84
Pace (NYC)*	431	4,645	5,076
Fairleigh Dickinson (NJ)*	302	3,797	4,099
NYU (NYC)	940	2,860	3,800
Baruch College (NYC)	371	2,127	2,498
Georgia State (Atlanta)	1,083	1,351	2,434
DePaul (Chicago)	771	1,551	2,322
University of Chicago	1,100	1,048	2,148
Arizona State (Tempe)	596	1,372	1,968
Northwestern (Evanston, Ill.)	850	1,030	1,880
Xavier (Cincinnati)*	120	1,730	1,850

*Lacks accreditation.

Source: American Assembly of Collegiate Schools of Business

Marc PoKempner/Sipa-Special Features

A University of Chicago executive M.B.A. class
Quite another matter when it's on company time.

pays a part-time professor $1,200 to $1,500 to teach a three-credit course. At $202 per credit, that means the school covers the teacher's salary with just two or three students in a class. Pace's average class size is 25, although some lecture halls get as many as 80 students, each paying $202 per credit. That would allow some $48,480 in income from a single three-credit course for a semester.

It's no accident that part-time faculty outnumber full-time professors by nearly 2-to-1 at Pace. Besides receiving lower pay, part-timers are ineligible for tenure and most other teacher benefits.

What about other costs? Even a laggard scraping by with a C in "Quantitative Analysis for Business Decisions" could tell you that the cost of those classroom seats is marginal, since the same classrooms are occupied by undergrads during the day.

With such a major financial stake in M.B.A. mania, educational institutions do little to diminish the myth that the degree is a must to succeed in business. Even the most sober M.B.A. hopefuls, who don't buy that line, queue up in the belief that further education can't possibly cause any harm. But Dean Keller of the Fuqua School disagrees. "Many night students literally become worn out," he says. "Their job performance suffers. They would be better off working smarter during the day rather than trying to get their degrees at night. We hear a lot of employers saying that."

Yet a good part of the blame for the lower productivity of their worker-students lies with the employers themselves, who mindlessly foot the tuition bills. They pay not because they believe the M.B.A. will make their employees better workers. Rather, they foot the bill because it is simply another employee benefit, like dental insurance or sick leave, and they have to keep up with the Joneses.

Some corporations are finally beginning to see the light. New York Telephone, for example, informs employees who request tuition reimbursement that additional educational work does not necessarily mean that they will be either promoted or given a raise.

James Zgodinski, a 30-year-old development technician in SCM Corp.'s research and development division, could have benefited from such a warning. He went nights to Baldwin-Wallace College in Berea, Ohio, graduating with an M.B.A. more than two years ago. "I thought getting a

Briefcase U.

Tony Bonaparte, dean of Pace University's Lubin Schools of Business, doesn't look the part of the average academic. Grenada-born, he wears European-style suits, monogrammed shirts and a silver collar pin.

Nor does he sound typical. "We run the school like a business," he says, "with classes from 7 in the morning until after 10 at night, seven days a week. Whatever suits the customer we provide."

And that's precisely why Pace, once a tiny accounting school for night students, is the nation's largest business school, with a graduate enrollment of over 5,000. Bonaparte took over as dean in 1974, when enrollment was only two-fifths of the current total.

Pace isn't as innovative a marketer as nearby Adelphi, a university that offers M.B.A. classes on commuter trains and rents out space in libraries to run Saturday sessions. Nor is it often cited as an example of a first-rate business school, like Columbia University. But what it lacks in innovation and reputation it makes up in volume merchandising.

Henry Groskinsky

Pace's doors are closed to few
Just a short stroll from Wall Street.

Above all, Pace is convenient. Its huge concrete building in downtown Manhattan, a short stroll from Wall Street, assures a steady stream of upwardly mobile professionals and secretaries. There's another center in midtown, as well as suburban locations in White Plains and Pleasantville, N.Y.

Pace's class schedule makes it an ideal briefcase college. Students can attend class on their way to work in the mornings, during lunch or on their way home at night. If students let the deadline for registration slip by, not to worry. Pace offers a slew of "late-start" classes that begin two weeks late. One particularly grueling four-credit late course, "Financial and Managerial Accounting," is an exhausting 4 hours and 10 minutes long on Friday nights. "We take station breaks and commercials on those," says Associate Dean Leon Selig. Pace, in fact, recently lengthened its regular classes to 2 hours and 40 minutes so that it could squeeze in a fifth semester.

Pace also says its prices are fair at $202 a credit, a bargain-hunter's eyelash below nearby New York University's and Fordham's. And it is liberal when it comes to accepting credits from undergraduate colleges and universities. Pace will waive more than one-third of the 61 credits required for the M.B.A. This can cut over 1½ years off a part-time program.

Dean Bonaparte stresses the educational benefits of getting an M.B.A. at night versus the full-time, two-year program at Columbia. "Our evening students are more mature," he says. "They come with questions about the real world."

Maybe. Some, however, view Pace's unaccredited program as less than demanding. "You'd have a better feel for the business world if you regularly read FORBES, *Business Week, Fortune, Barron's* and the *Wall Street Journal* rather than take classes at Pace," says Leo Egan, a marketing manager for Greyhound Leasing & Financial Corp. who expects to graduate from Pace's business school in May 1985.

So why is he there? Apparently not for practical learning. "I don't want to ever be held back because I don't have the degree. Having the motivation to go to night school and slug it out may say more than the degree itself, anyway."—J.A.B.

business degree would further my chances of moving up into middle or upper management," he says. "That hasn't happened yet. I'm not utilizing one-third of my skills." In more than two years since getting his M.B.A., Zgodinski has not had a promotion.

Regina Smith, a 26-year-old labor relations specialist for Alabama Power, has had little joy from the M.B.A. she earned at Samford University (not Stanford, mind you) in Alabama about a year and a half ago. She thought the degree would get her a promotion or at least additional responsibilities. "It was wishful thinking on my part," she says.

Some M.B.A. students point to want ads calling for "M.B.A.s only" to justify their nightly ordeal. But a little checking could be in order here. A few weeks back, for example, Julien J. Studley, Inc., a fast-growing New York-based commercial real estate firm, ran newspaper want ads stating that only M.B.A.s need apply. Julien Studley, a self-made man who never finished high school, is the first to tell you an M.B.A. isn't required for the job. So why does he ask for one? Simply as a screen. "If someone writes me and says, 'I don't have an M.B.A., but would be terrific for you,' that really sets off a light. I'll probably want to talk to him."

So what's an ambitious, bright employee to do? Remember, first, that promotions are earned on the basis of performance, not credentials. Moreover, with the M.B.A. already debased, "an undergraduate business degree from a top university is better than an M.B.A. in some businesses, such as banking," says John Rosenblum, dean of the University of Virginia's graduate business school.

For those with an unimpressive bachelor's degree looking for a second chance, there's another option—pursuing an advanced degree in a rigorous academic discipline such as economics, engineering or the sciences. "These degrees require the same kind of analytic, critical and intellectual skills used in making business decisions," says Judy Hoy of the American Management Associations.

If most M.B.A.s are doomed to disappointment, their employers still have plenty of ways to show who is on the fast track. Those truly anointed by an employer are often picked to enroll in executive M.B.A. programs, given time off to attend classes and given strong hopes for promotion upon course completion.

"Most of them are here because their companies want them to be here," says Walter Fackler, director of the University of Chicago's much-

The mills and the grinds

It looks like any other trade show—complete with colorful banners, glossy brochures, giveaways and hard and soft sells. But the wares on display at an M.B.A. Forum in Washington, D.C.'s Marriott are graduate business school programs, not widgets. It is the first of five such two-day events this fall sponsored by the Graduate Management Admission Council, a trade association for business schools.

Some schools waste little time making an intellectual case for their programs. "Most students look at an M.B.A. as a career-aid measured in dollars, another ticket to the next $2,000 or $5,000 raise," says Denis Worley, a professor recruiting for tiny Mary Washington College in Virginia. "I don't low-rate the idea of individuals looking for the bucks."

Avery Harper

Prospects at an M.B.A. Forum
Like any other trade show.

This year about 175 business schools will pay from $240 to $450 per forum to participate in events in New York, Chicago, Los Angeles, Boston and Washington. Prestigious business schools like Dartmouth, the University of Chicago and Columbia stake out territory alongside lesser-knowns like George Mason University and Atlanta University in search of customers.

The Loyola College recruiter will tell you no work experience is necessary, no cutoff score—everyone is considered. Just pick up an application, fill out both sides, include a résumé and mail with the $25 nonrefundable check. (Compare that with Harvard's ten-page, seven-essay application.)

What do students really expect from the programs? Here are some comments from part-timers at Pace and full-timers at Columbia.

Pace students:

"I'm a secretary, and I'm stuck. I am doing this to get out of the secretarial pool and to get into marketing or general management."—Lynda Forbes, 31, secretary, AT&T Communications.

"It's pretty much to keep up with the Joneses today. A lot of positions seem to require the M.B.A. degree."—Alfred Drouin, 28, senior financial analyst, Loral International, Inc.

"I have a liberal arts degree, so I'm going because there's a tremendous gap in my business background. Down the road, I feel the M.B.A. is going to be a requirement."—Michael Kerrigan, 27, program system analyst, Shearson Lehman/American Express.

Columbia students:

"Last week George Ball [CEO of Pru-Bache] came to speak. At work he would sometimes stand next to me but he would never talk to me. At this presentation he was trying to sell to me, rather than vice versa."—Alan Schapiro, 25, former marketing representative at Prudential-Bache.

"I naively thought, 'If you work hard, you will get promoted.' I was a secretary in the executive suite at McGraw-Hill, and I was typecast. I don't ever have to apologize from here on."—Laura Boland, 32, former administrative assistant to CFO of McGraw-Hill.

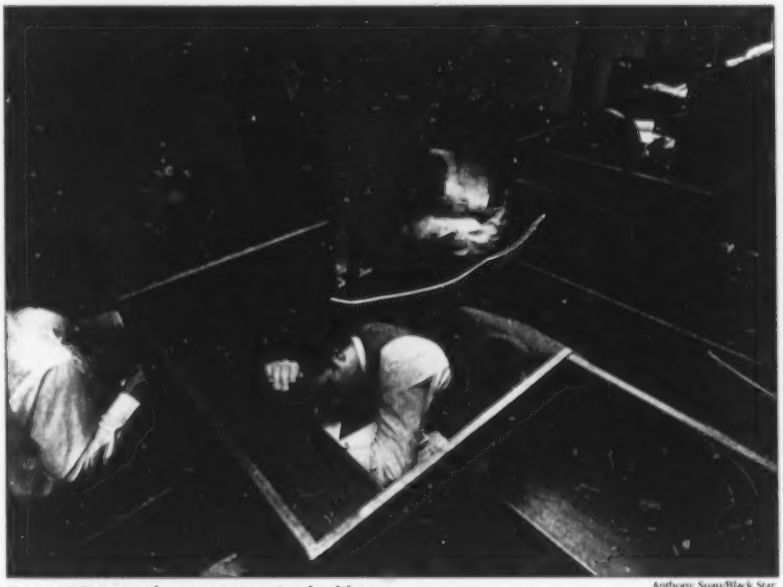
"In New York there are so many M.B.A.s on the market that the degree no longer gives you a competitive edge. It is needed to be equal. The difference is who will recruit at your school."—Karen Siegler, 25, former staff accountant at Price Waterhouse.—**Matthew Schifrin**

touted executive M.B.A. program, the oldest in the nation.

(But even executive M.B.A. programs have become so popular—"They've been popping up like crazy because they're so profitable," says Fackler—that many of them now lack credibility.)

So the next time Harvard touts the $40,000 salaries (to start) of its recent business school grads, remember that the top business schools have natural selection working for them. Their grads would doubtless have succeeded with or without business school. The Harvard M.B.A.s recently found to represent 20% of the top executive corps of the nation's 500 largest firms are there because they are highly talented and skilled achievers, not simply because of their M.B.A.s.

And bear in mind that, for all the CEOs the business school can point to—from Thornton Bradshaw of RCA to Philip Caldwell of Ford—there are others who have had a fall from grace. Remember William Agee?



Anthony Suau/Black Star

Pace M.B.A. student napping in the library
A hard day's night, for years.

Personal Affairs

Good news, bad news jokes are passé. But someone forgot to tell the IRS. This year's tax changes both giveth and taketh away.

A final accounting

By William G. Flanagan

AT LEAST THREE MEATY changes in the tax law go into effect this year, which amounts to good news for taxpayers.

One change has to do with capital gains. The holding period for gains and losses, as of June 22, 1984, is more than six months, instead of more than one year. So stocks bought on or after June 22 require special scrutiny.

If you have gainers bought in the last few days of June, they will be eligible for capital gains tax treatment (maximum 20%) this year.

More important, however, is how the shorter holding period affects any losses you may have on securities purchased after June 22. As far as the taxman is concerned, remember, short-term losses are worth twice as much as long-term losses. You can deduct short-term losses dollar-for-dollar, but long-term losses get you only 50 cents' worth of deduction for every dollar lost. The maximum amount you can deduct in securities losses, net of gains, for a given year is still the same, however—$3,000. Any more than that has to be carried into the following year or years. Moral: If you have losers in your portfolio bought after June 22, you might consider selling before year-end, i.e., before they mature into long-term losses.

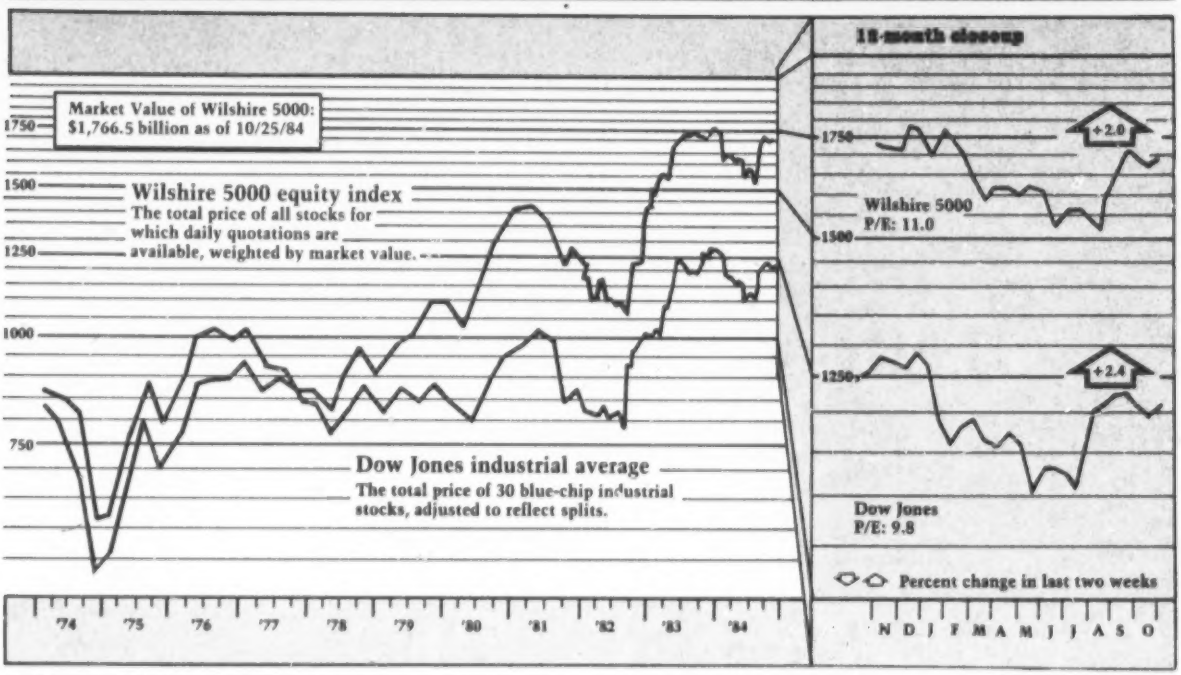
Regardless of when you bought securities, it's always a good idea to prune your portfolio at year-end with tax consequences in mind. And note that this year the IRS once and for all has effectively closed the loophole on straddles as a means of deferring income, whether the vehicle is commodities or options.

A second big change has to do with Keogh contributions. If you are self-employed or receive any self-employment income (from consulting, freelancing or in directors' fees, for example), the news is good indeed.

As of this year, the maximum you can stuff into a defined contribution Keogh has been upped to 20% of net self-employment income or $30,000. (So, if you net, say, $150,000 a year, you can now put $30,000 aside. Formerly, the limits were 15% of net earned income or $15,000.)

If you have a defined benefit plan—i.e., one wherein the amount received each year upon retirement is fixed—the rules are also different. This gets very tricky, but basically the IRS is limiting the Keogh deduction each year to an amount that will provide a maximum of $90,000 a year upon retirement. Your age now and at retirement have to be factored in. But for some successful self-employeds, the defined benefit Keogh plan is a dream. Example: According to Nancy Wein-

The Forbes/Wilshire 5000 Review



Problems with the oil gauge. The market creaked upward during the most recent two-week period, but the move came with considerable difficulty. Although the Dow industrials jumped nearly 30 points in one trading session, this momentum was not sustainable. A new round of crude oil price cuts and erratic third-quarter results for major oil firms prompted heavy selling of energy shares. The weak energy sector hurt the broad averages.

Over the last ten trading days, the 30-stock Dow industrials showed the best performance, with a 2.4% rise. The NYSE was up 2.1%, and NASDAQ issues posted a 1.7% increase. But Amex-listed shares eked out only a 0.1% gain. For the four-week stretch, all major indicators lost ground. The Amex was hit the hardest and suffered a 2.1% decline, while losses of 0.5% or less were recorded by the other market barometers.

Wall Street's inertia can't all be blamed on the problems in the oil patch. In other times a falling prime rate, moderating economy and relatively low levels of inflation were often just what was needed to put investors into a buying mood. But the rate that 1985 earnings estimates are being cut *(see page 84)* and the still unanswered questions over the budget deficit are keeping a lot of today's money on the sidelines.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–0.4	–0.1	–0.5	–0.3	–2.1	–0.5
in last 52 weeks	–1.4	1.1	–2.5	0.9	–1.5	–10.3

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	0.3	–2.0	–2.4	2.6	–2.7	1.6	1.9	–3.1	–4.4	1.6	0.5	–5.2
in last 52 weeks	0.4	–2.5	–8.6	11.8	–14.2	10.8	6.8	–6.8	–7.2	9.5	5.1	–13.3

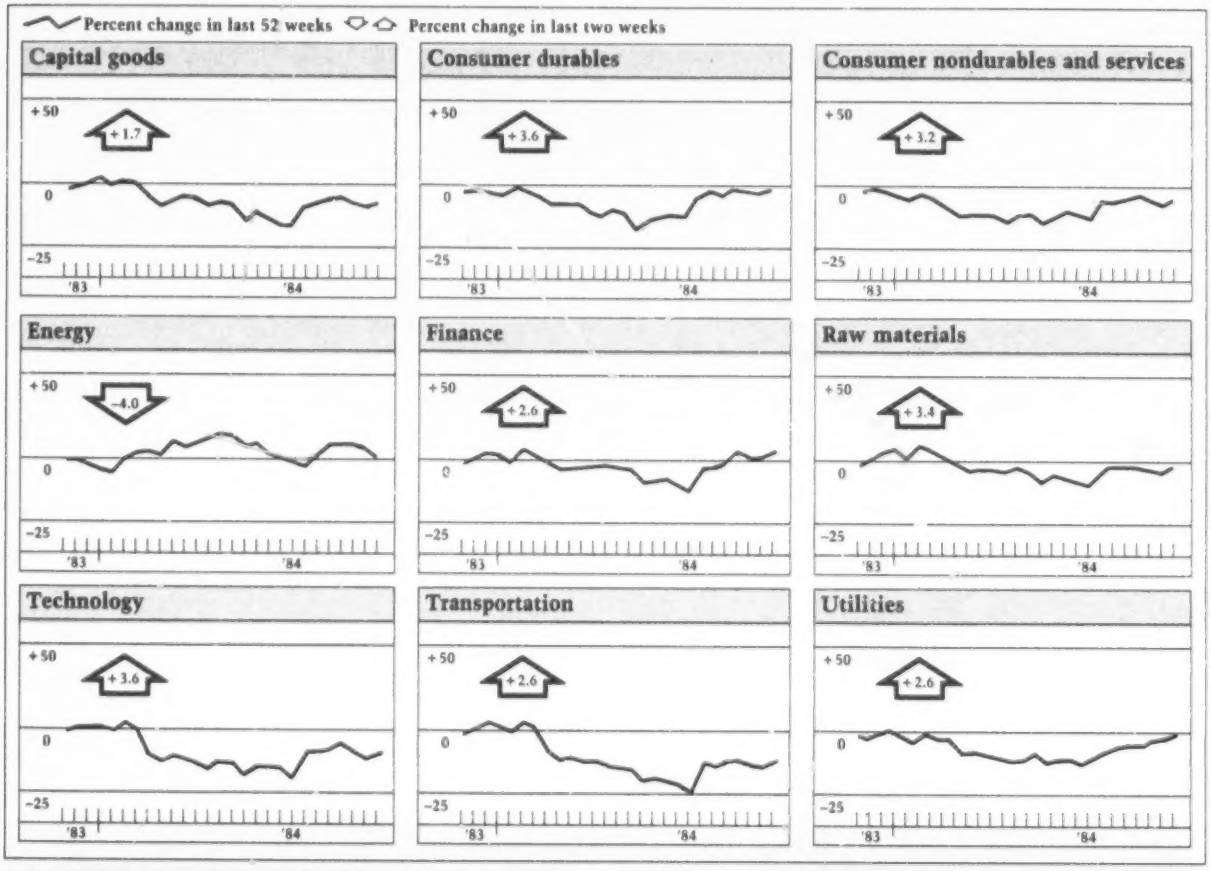
[1]Based on sales.
[2]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 10/25/84. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Why the market didn't do better. Of the eight sectors that registered increases over the last two weeks, only capital goods and services underperformed the Wilshire index. Technology and consumer durable shares rose 3.6%, while consumer nondurables and raw materials posted similar increases. Close by were transportation, utility and finance shares, all up 2.6%. That's the good news.

The bad news is that the last sector, energy, with a 4% decline, brought down the broad market indicators. The drop in oil shares came in response to a lowering of crude prices by producers. This will not help already highly leveraged drilling, exploration and service companies. Disappointing third-quarter earnings of several major oil firms only fueled the selling spree.



What The Analysts Think

Sinking estimates in a rising market. During the last two weeks the Forbes 500s rose 2.3%. But analysts kept revising earnings estimates. For the 500-stock group, the average per-share 1984 and 1985 earnings estimates are down slightly. Higher share prices, however, raised the estimated P/Es for 1984 to 9.5, and for 1985 to 7.6.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.08	11.3
1984 estimates	3.91	9.5
1985 estimates	4.58	7.6

Rank based on change in estimate	Sector	Estimated 1984 EPS	% change in 1984 estimate in 2 weeks	in 4 weeks
1	Consumer durables	$3.44	0.01%	-1.58%
2	Utilities	3.54	-0.07	0.07
3	Consumer non-durables	2.63	-0.36	-1.64
4	Finance	3.35	-0.38	-0.76
5	Transportation	2.54	-0.39	-1.00
6	Capital goods	2.53	-0.45	-0.41
7	Technology	2.13	-0.45	-1.98
8	Energy	2.62	-0.66	-1.93
9	Raw materials	2.62	-0.98	-1.94

Earnings projections are equal-weighted consensus estimates from over 1,800 security analysts. Forecasts for the 9 Wilshire sectors are limited to firms with 3 or more estimates, with a mean estimate greater than $0.50. Data are compiled and updated weekly by Zacks Investment Research, a Chicago-based quantitative consulting firm.

Note: All data for periods ending 10/25/84. Prepared by Wilshire Associates, Santa Monica, Calif.; Zacks Investment Research, Inc., Chicago, Ill.

Shelley Dell